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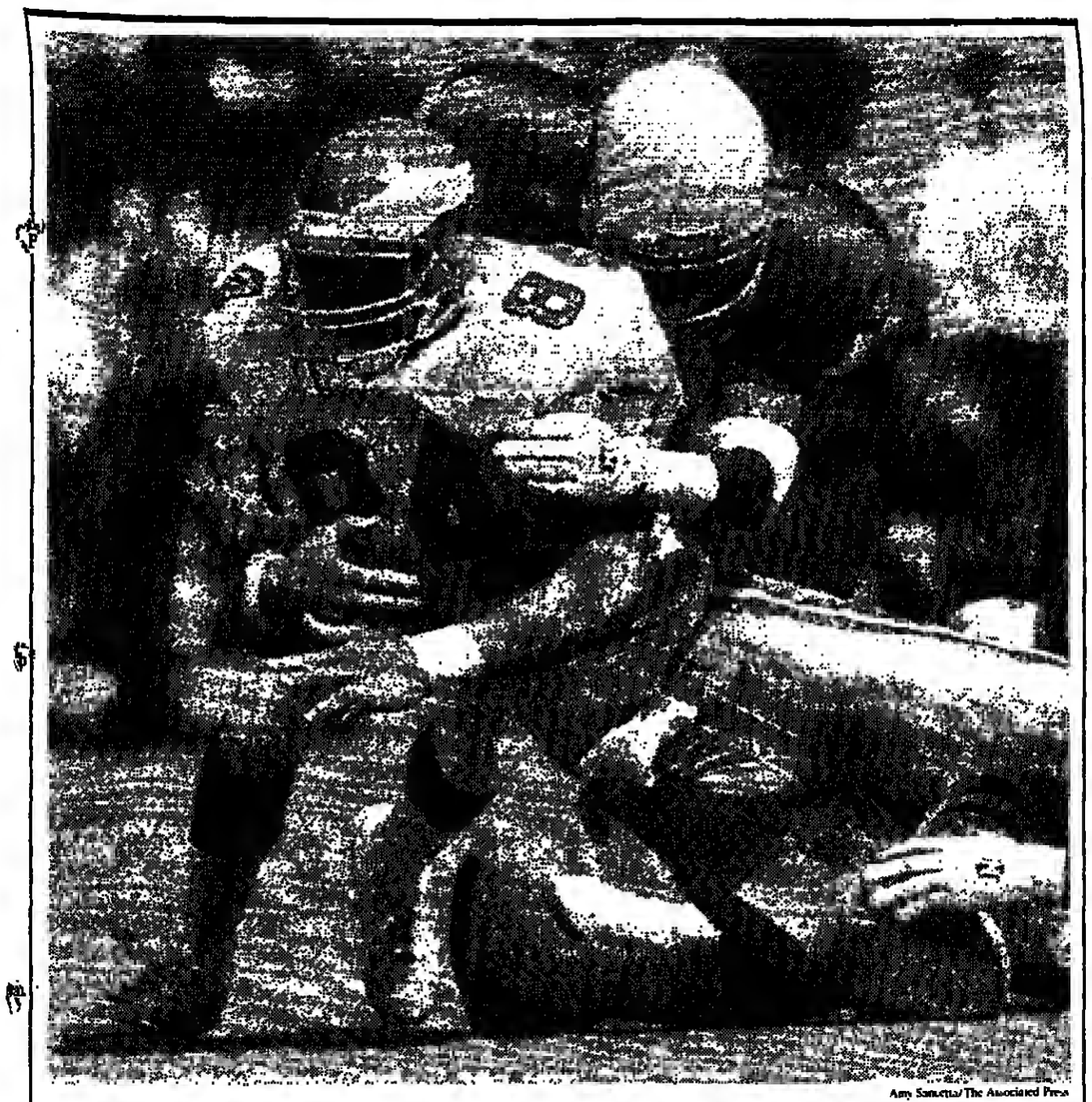

Amy Sancetta/The Associated Press

NFL Season Kicks Off

Mark Bavaro, a tight end for the Philadelphia Eagles, being tackled after a 19-yard-gain Sunday by John Booty of the Phoenix Cardinals. The Eagles won at home, 23-17. Among other games in the season openers, the San Francisco 49ers beat the Pittsburgh Steelers, 24-13, as Steve Young led the way with three touchdown passes despite a broken thumb. Page 13.

Israel Insists PLO Forswear Terrorism and the Intifada

By David Hoffman
Washington Post Service

JERUSALEM — In exchange for formal recognition, Israel is demanding that Yasser Arafat carry out a complete overhaul of the Palestine Liberation Organization, curbing violence of the Palestinian *intifada* as well as ending terrorism and transforming the PLO into a political organization, Israeli officials said Sunday.

They added that Israel was pressing Mr. Arafat to go far beyond his 1988 statement renouncing terrorism and acknowledging Israel's right to exist. Now, Israel is also pushing the PLO to forswear all armed resistance and halt the uprising in the occupied territories, which Mr. Arafat refused to do before, the officials said.

The demands are at the heart of secret negotiations still under way toward an exchange of letters in which Israel and the PLO would recognize each other after three decades of hostility. The negotiations are parallel to the Aug. 20 declaration of principles initialed in Oslo for Israel to transfer authority for the Gaza Strip and the town of Jericho to a Palestinian self-governing authority.

[Foreign Secretary Shimon Peres of Israel said Sunday that his country would be ready within a week to sign the accord on Palestinian autonomy, but a PLO official said approval could take two or three weeks.

["We shall be ready earlier than that," Mr. Peres said in a U.S. television interview when asked if the Israeli team was prepared to sign the document Sept. 13, a date suggested by the United States. However, a PLO strategist, Nabil Shaath, said in the same television interview that it was "possible but highly improbable" that the PLO would get the approval it needed by Sept. 13.]

It is not known whether Mr. Arafat will agree with Israel's demands on mutual recognition, but Israeli officials said they were optimistic that an agreement was near.

"We are not too far away in terms of words, but there has to be a basic decision by the PLO that they are ready for this historic step," said Uri Savir, director-general of the Israeli Foreign Ministry and a participant in the months of secret diplomacy that led to direct talks with the PLO.

Mr. Savir said Israel was demanding that the PLO abandon its past positions and express a "full-fledged attitude" in favor of peaceful coexistence with Israel, cessation of the intifada and terrorism, and permanent changes in the PLO covenant. "The PLO knows what is necessary, knows that the time schedule is, and we are awaiting an answer," he said.

"We have found a partner," he told a foreign policy group in Jerusalem, "that is still hesitating, still looking in new directions and sometimes looking back."

Other officials said that Prime Minister Yitzhak Rabin had explicitly asked Mr. Arafat for a pledge to halt the violence of the five-year-old Palestinian uprising against Israeli occupation. "It must be very precise, without any loopholes, without any chances for misinterpretation," said an official familiar with Mr. Rabin's views. "It's not enough just to renounce terrorism."

The Israel-PLO pact would fundamentally alter the course of Middle East politics. Page 5.

In December 1988, Mr. Arafat renounced terrorism and acknowledged Israel's right to exist, which was followed by a formal dialogue between the PLO and the United States. The talks were broken off in June 1990 when he refused to denounce a guerrilla attack by a radical Palestinian faction on an Israeli beach. During this period, the uprising in the West Bank and Gaza was at its peak.

When Mr. Peres listed Israel's demands last week, he called for an end to "terror and violence as a means to achieve political goals," but he did not mention ending the intifada attacks on Israeli soldiers and civilians. However, officials said Mr. Rabin had insisted that such a pledge be obtained from Mr. Arafat.

Mark Heller, a senior research associate at

See ISRAEL, Page 5

Agreement Is Seen Imminent With Syria on Golan Heights

By Clyde Haberman
New York Times Service

JERUSALEM — Israel was reported Sunday to be ready soon to recognize Syrian sovereignty over the Golan Heights in return for a statement by Syria spelling out what it means by an offer of "full peace" to the Israelis.

Israeli government officials said that the reports, run by two leading newspapers, were "premature."

But they conspicuously did not reject outright the possibility that Israel was heading toward some sort of outline agreement with Syria. If an accord does come, it would be no less momentous a breakthrough than the draft arrangement that Israel reached secretly in late August with the Palestine Liberation Organization.

Officials here insist that no secret talks are under way between Israel and Syria similar to the clandestine meetings that Israelis and Palestinians held in Norway starting last January and that led to a proposed peace agreement calling for Palestinian self-rule in the Gaza Strip and the West Bank city of Jericho.

But it is possible, they say, that Secretary of State Warren M. Christopher will be asked to serve as an intermediary between Prime Minister Yitzhak Rabin of Israel and President Hafez Assad of Syria, in much the way he carried messages to and from the two leaders last month as he shuttled between Jerusalem and Damascus. After his visit, Israeli officials said they were persuaded that Mr. Assad was serious, adding that so were they.

Another trip to the region by Mr. Christopher was possible in a few weeks, they said.

"The Syrian track has been put on the back burner because of what is happening with the Palestinians," one official said. When it does "get to the front burner" — and the official said it could be soon — one idea likely to surface is an Israeli recognition of Syrian sovereignty on the Golan in exchange for details about what Syria means by peace. Israel says this must include open borders, an exchange of ambassadors, tourism and trade.

If Israel were to acknowledge Syrian sovereignty on the strategic plateau, it almost certainly would trigger an emotional response here, even bigger for many Israelis than that created by the new specter of Palestinian authority over Jericho, and certainly over

See GOLAN, Page 5

China Wants U.S. Apology Over Ship

By Patrick E. Tyler
New York Times Service

BEIJING — Accusing the United States of behaving like "a self-styled world cop," China demanded Sunday that Washington apologize for prompting the search of a Chinese ship and claimed compensation for the inconvenience.

The sharp Chinese statement followed certification by Saudi, U.S. and Chinese inspectors that the freighter, the Yinhe, was not carrying ingredients for chemical weapons bound for Iran, as the United States had contended. The inspection was carried out in the Saudi port of Dammam.

U.S. officials in Beijing and Washington said there would be no apology because the United States had acted in good faith on intelligence from a number of sources, all of whom proved to be wrong, that the ship had sailed from a Chinese port with an illicit cargo of thiodiglycol, a mustard gas base, and thionyl chloride, used in nerve gas agents.

American officials would not comment or elaborate on their assertion that they had acted on faulty intelligence from several sources, but the acknowledgment raised the question of whether U.S. spy agencies had been duped in an effort to embarrass the Clinton administration, which has been engaged in an escalating war of words with Beijing over human rights, arms sales and a hefty trade imbalance.

The U.S. has agreed to sell anti-ship missiles to Taiwan, a newspaper reported. Page 2.

A number of Western officials now believe that it would have been extremely difficult for the Yinhe crew, under close surveillance by American ships, planes and satellites, to have disposed of any illicit cargo from the nearly 800 large shipping containers packed tightly on the ship.

The incident further raised questions about how a treaty to control the spread of chemical weapons would be enforced and how intelligence would be shared and verified before inspections of ships and aircraft were undertaken.

China seemed to be challenging what it called American unilateralism in advance of the treaty's taking effect.

"The chemical weapons convention will not become effective until 1995, and its verification mechanism is yet to be established," a Foreign Ministry statement said. "If such behavior of a self-styled world cop is to be condoned, can

See CHINA, Page 4

Russia Submarine's Hulk 'Not That Bad'

By William J. Broad
New York Times Service

NEW YORK — Western scientists who examined a sunken Russian submarine have found that it was torn by a violent explosion and has possibly leaked plutonium from its nuclear torpedoes.

But they concluded that any radioactivity would lie on the sea floor near the submarine rather than be swept toward rich North Atlantic fisheries, because the currents around the hulk were far weaker than previously believed.

"If you're looking for a place to put it, this isn't as bad as we thought," said Charles D. Hollister, senior scientist at the Woods Hole Oceanographic Institution in Massachusetts.

He and other scientists just completed a monthlong expedition to examine the vessel, the Komsomolets, which sank in 1989 in waters a mile deep, 300 miles (500 kilometers) off the coast of Norway.

Experts have repeatedly disagreed over whether the corroding bulk poses a risk to human health, with some Russians arguing that the danger is high.

Begun in late July, the expedition consisted of Russian, American, Norwegian and Dutch scientists sailing aboard a Russian research ship. The cruise was the first big East-West effort to examine the Komsomolets, the sinking of which took 42 lives.

The experimental sub was among Moscow's top secrets during the Cold War. Its titanium hull was to let it dive very deep. Instead, crippled by fire, it sank, with a nuclear reactor and two nuclear-tipped torpedoes on board.

A big surprise, Mr. Hollister said, was evi-

See LEAK, Page 4

The Seeds of the Balkans' Bitter Crop

By Michael Dobbs
Washington Post Service

VUKOVAR, Croatia — They worked in the same factory for nearly 20 years. They both belonged to the Yugoslav Communist Party. In the summer of 1991, as the country they knew as Yugoslavia began to disintegrate, Nikola Radakovic and Victor Djurisic took up arms against each other because of a long-submerged distinction: One of them was a Serb, the other a Croat.

Devastated by some of the heaviest street fighting in Europe since World War II, Vukovar has become a symbol of the ferocity and the senselessness of the war in the former Yugoslavia. It also represents the worst-case scenario awaiting the former Soviet Union if the monumental transition now under way from communism to free markets and democracy is bungled.

First in a series of articles.

This is a place where every trace of multiethnic tolerance and liberal European values has been systematically destroyed. Libraries and hospitals have been shelled to smithereens, churches blown up, factories reduced to heaps of metal. The survivors piek their way through the ruins.

"We have a devastated city and devastated souls," said Slavko Docmanovic, who was mayor of Vukovar before the 87-day siege of Serbian militia forces and the Yugoslav People's Army. "Before the war, this was a miniature Yugoslavia. We had 23 different nationalities represented here, living harmoniously together. The transition from communism to democracy

See LEGACY, Page 4

When a Job, Not Income, Is Disposable

By Peter T. Kilborn
New York Times Service

WASHINGTON — Twenty-nine years ago this week, just before Labor Day 1964, President Lyndon B. Johnson promised Americans a "Great Society" in which "the meaning of man's life matches the marvels of man's labor."

Some years before, in the Soviet Union, Stalin celebrated communism for transforming labor "from a shameful and heavy burden into a matter of honor, matter of fame, matter of valor and heroism."

Yet today, in America, in Russia, indeed throughout the industrialized world, work has drifted a long way from the Marxist and capitalist ideals. For all but the elite, work holds less promise, less purpose, less security and less dignity than it did a generation ago.

Americans did not topple Morgans and Rockefellers, the philosopher Thorstein Veblen said, because they believed that with work, they, too, could be Morgans and Rockefellers. But that dream is a bigger stretch than ever, as Americans at such citadels of enterprise as Procter & Gamble, Eastman Kodak and IBM lose jobs in multi-thousand-worker sweeps.

And in all their wrangling over budgets, taxes and the economy's growth, neither industry nor the government has much to say about what it means when the economy's cast-offs no longer buy Chevies or Frigidaires, or who is entitled to a decent life, or why bad jobs drive out good jobs, or what the devaluation of work means for democracy.

In the early 1980s Katherine Newman, an anthropologist at Columbia University, interviewed people who were shattered by losing jobs but still had faith in the American system. In the late 1980s, she interviewed others who had lost jobs for her book "Declining Fortunes," which was published in May. "I was now seeing people who don't believe anybody has any solid answers anymore," she said.

Around the world, just getting work has become a mean business. A political axiom of the Europe of the 1960s promised rioting in the streets if the unemployment rate ever exceeded 3 percent. Today it is at 10 percent and climbing.

In the nature of work, the most striking changes are afoot in the United States.

Among all American workers, Frank Levy, a labor economist at the Massachusetts Institute of Technology, identifies a tiny core of 500,000 "supernovas" earning vastly more than their peers in Europe and Japan.

But America is also the place where comparatively light regulation of worker-employer relations has produced the disposable job.

These workers are the nation's data entry clerks, telemarketing sales agents, bank tellers, warehouse workers, janitors, fast-food clerks, supermarket and convenience store clerks and cashiers. In America, whole communities of

See LABOR, Page 9

For Many, Work Without Security

Reuters

WASHINGTON — One out of every seven workers in industrial nations holds a part-time job, many without the benefits or protection given to full-time employees, a United Nations agency said on Sunday.

About 60 million people work part-time in industrial countries, most of them women, the International Labor Organization said in an analysis of this comparatively recent trend in employment. In some nations, 25 percent of workers hold part-time jobs.

"While the majority of part-timers work that way voluntarily, many are forced to accept part-time jobs because of a lack of full-time opportunities, which reflects the persistently weak job market in the industrialized world," the ILO's director-general, Michel Hansenne, said in a statement.

While part-time work offers the benefit of workplace flexibility, allowing people extra time for professional or family goals and giving employers greater ability to match staffing with workloads, it can fall short in wages and worker protection, said Vittorio Di Martino, an ILO labor expert.

The labor organization recommends part-time and temporary workers be given job-security and social security benefits equivalent to full-time workers, although entitlement can be pro-rated.

More than 25 percent of working women hold part-time jobs, compared with four percent of men in the 24 nations of the Organization for Economic Cooperation and Development. The OECD comprises the United States, Canada, Japan, Australia, New Zealand and most of Western Europe.

Kiosk

Peter Northall/The Associated Press

SOMALI RAGE — A Mogadishu woman waving a crutch in an anti-UN protest. Seven Nigerians were killed in an ambush attributed to a warlord. Page 4.

Policemen Hurt in Cairo Prison Riot

CAIRO (AFP) — A total of 48 police officers were injured on Sunday when Islamic militant inmates rioted in an Egyptian prison, the police said. The riot erupted when the police arrived at Abu Zaabal prison in a Cairo suburb and tried to transfer 200 inmates to another prison.

About 1,300 Islamic militants at the prison tipped out cell bars and threw objects at the police outside the prison building, preventing them from entering and injuring 48 of them, including one seriously.

Security forces retaliated by lobbing tear gas canisters and firing shots into the air.

General News

The merits of Sydney as a venue for the 2000 Olympics. Q & A, Page 2.

U.S. arts funds are withdrawn from a project in which $10 bills are handed out to illegal immigrants. Page 3.

Business/Finance

China is upset by U.S. threats for sanctions on textile trade. Page 7.

SEAT, the Spanish unit of Volkswagen, predicted a loss for this year. Page 10.

Bridge Page 5.

Books Page 5.

Believers Keep Currency Grid Alive and Well

By Carl Gewirtz
International Herald Tribune

PARIS — Call it the poker game that refuses to end.

When the European Community's exchange-rate mechanism collapsed a month ago, it looked as if the game was over. The French had run out of chips. The Germans were saying they couldn't afford to extend any more credit to the other central banks than they had already. And the Europeans effectively threw down their cards by declaring that the rules of the currency game had changed.

But to general amazement, the players sitting around the table — the European central banks and currency market players — refuse to leave.

Interest rates have not been slashed and market participants — "speculators," for lack of a better term — are still betting on substantial declines in currency values.

Some analysts say the countries that need to cut interest rates to get their economies moving, which are France, Denmark and Belgium, are staying their hands largely out of fear of giving Germany its head to run a completely autonomous monetary policy, the antithesis of the goals of the Maastricht treaty.

A month ago, when the European central banks widened the permitted margin of currency fluctuation to 30 percent from the 4.5 percent previously tolerated, the banks appeared to be conceding that they couldn't win: They couldn't afford to hold interest rates at German levels in order to keep their exchange rates within a fixed narrow band so long as the currency market continued to bet huge sums that spreading recession dictated a big cut in interest rates outside Germany.

At the time, it appeared that France, Denmark and Belgium had established the framework that would permit them to lower interest rates. And the foreign-exchange market expected that the decline in those rates would dramatically weaken those currencies, just the way the pound and the lira had fallen by some 20 percent when Britain and Italy had withdrawn from the system last autumn.

The market still feels that way. And rather than liquidate their speculative positions against the French franc, players are renewing them, a development that market analysts say

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Q & A: Olympics' Next Stop?

Australian Extols the Virtues of Sydney

The International Olympic Committee will meet in Monte Carlo on Sept. 23 to select a host city for the 2000 Olympics. Rod McGeoch, chief executive the committee organizing Sydney's bid for the Games, discussed the issues at stake with Michael Richardson of the International Herald Tribune.

Q. What can Sydney offer as the site for the 2000 Summer Olympic Games which the five other contenders — Beijing, Manchester, Munich, Istanbul and Brasilia — cannot match?

A. Our mission was to produce the best technical plan for the Games. The release in July of the IOC's inquiry commission report seems to confirm that Sydney achieved its objective. The commission concluded that the Sydney bid "offers conditions over and above what is required by the IOC. Sydney offers a solid bid and a safe environment for the Olympic Games." No other candidate city received such a ringing endorsement.

The centrality of Sydney's Olympic plan sets it apart. No venue is more than 30 minutes from the Olympic village. This means that for the first time in Olympic history, every athlete will be accommodated in a single village. Competition for fourteen sports will be at Sydney's Olympic Park, putting nearly 70 percent of the athletes within walking distance of their venues. Seven other sports are in the harbor zone, only 22 minutes away from the village by ferries which will provide fast, secure access.

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Q. Another Australian city, Melbourne, staged a Summer Olympics in 1956. China accounts for more than one-fifth of the world's population and is an emerging superpower, yet has never hosted the Olympics. Doesn't that give Beijing a prior claim over Sydney?

A. There can be no denying that Beijing's claim on an Olympic Games will sooner or later be irresistible. But history in the Olympic context must also be considered. Australia has been to every modern Olympics, one of only three countries to do so. China has been to only four Olympics. This is also Australia's third consecutive Olympic bid. Brisbane bid for 1992 and Melbourne for 1996. It is China's first bid.

It should also be remembered that Oceania has had only one Olympic Games in 100 years. Asia will have had four Olympics by 1998 — two summers in Japan and Korea and two winters in Japan.

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Q. The U.S. House of Representatives, in a recent nonbinding resolution, voted overwhelmingly to oppose holding the Olympics in China in 2000 because of the Chinese government's allegedly poor record on human rights. Australia might also be criticized for its treatment of its aboriginal population. Should human rights be an important factor in deciding the site of the 2000 Games?

A. I have no comment on that resolution. Nor would I presume to advise the 91 independent members of the IOC what to consider when selecting a host city.

But I can say that, imperfect though Australia's treatment of aborigines might have been in the past, it must be clear that major initiatives are being taken by the current government and by the High Court to redress past wrongs. Representatives of the Aboriginal Land Council, the biggest democratically elected aboriginal representative body in the state of New South Wales, serve on the committee supervising Sydney's bid for the Olympics. The council also supports the bid.

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Q. Sydney and Beijing are widely considered to be the front-runners in winning the right to host the 2000 Olympics. Why does Sydney consider it has a stronger bid on environmental and technical grounds?

A. Not having been to Beijing, I have no view about its status on either of these points. However, we are aware that pollution levels in Beijing were raised as a matter of concern by the IOC's inquiry commission. Sydney has low pollution levels and an ideal climate for sporting competition in the spring, when we have proposed that the Olympics be held.

Telecommunications was another subject of concern to the commission, which suggests that it found technical shortcomings in Beijing that it had not found in Sydney. Technically, Sydney is a world front-runner in telecommunication and television technology, particularly for sports coverage.

Nearly 70 percent of Sydney's Olympic facilities are in place or nearing completion. The vast majority of them were built no earlier than 1988. This ensures technical excellence, n fact acknowledged by the commission.

Land Offer From Bosnia Serb

Swap Is Suggested to Muslims, if They Accede to Accord

Compiled by Our Staff From Dispatches

BELGRADE — A Bosnian Serbian leader said Sunday that his faction was willing to agree to a swap involving lands vital to the mainly Muslim Bosnian government if the Muslims signed the accord to divide Bosnia-Herzegovina.

The official, Nikola Koljevic, one of two "vice presidents" of the self-styled Bosnian Serbian republic, said his group was prepared to return to the Geneva negotiating table, where talks on the ethnic division of the republic broke down last week.

Mr. Koljevic said in an interview with a newspaper in Novi Sad, north of Belgrade, that the Bosnian Serbian legislature was to meet soon to "revise or withdraw" territorial concessions made in Geneva.

He added that if in the meantime the Muslim side accepted the "totality of the Geneva accord," the Serbs "could offer it territories vital" to Muslim interests.

In exchange, the Serbs would want control over the northern Bosnian Ozren region and the central Kupres plateau, which were ceded to the Bosnians and Bosnian Croats respectively under the partition plan.

The Geneva talks broke down Wednesday after President Alija Izetbegovic's Bosnian Muslim side demanded that the Serbs and the Croats cede more land and access to the sea.

Mr. Izetbegovic left Sunday for New York, where he is to talk with the United Nations Security Council on the future of the negotiations.

On Saturday in Istanbul, he said peace talks would resume in two weeks, the Anatolian News Agency reported.

Mr. Izethegovic said he had talked with the European Community's mediator, Lord Owen, on Friday and had also met with the U.S. special envoy, Charles Redman, on the issue.

"We agreed to start talks after two weeks," Mr. Izetbegovic said.

The Bosnian president arrived in Istanbul on Thursday to attend an economic meeting of the Organization of the Islamic Conference.

The Croatian foreign minister, Mate Granic, was quoted as saying his government was ready to return to the peace talks, but he insisted that Bosnian Croats could not be expected to cede land to the Muslims unilaterally.

Mr. Granic said in Zagreb, Croatia, that Bosnian Croats could not give up territory, because the maps being discussed in Geneva already excluded many Croats from their proposed state.

In Bosnia, UN officials said Sunday that Sarajevo might run out of fuel within days because heavy fighting between Croatian and Muslim troops has blocked supply routes. The battles in Gornji Vakuf have cut off humanitarian convoys traveling from the Croatian port of Split into Sarajevo.

Although the Sarajevo convoys have been stalled, UN officials said convoys traveling through Muslim-Croatian battle zones had made it to other destinations in central and eastern Bosnia on Saturday.

(AFP, Reuters, AP)

Massimo Sambucetti/The Associated Press

Pope John Paul II, in Vilnius, praying before a cross commemorating the 1991 Soviet crackdown.

Pope Makes Plea for Baltic Russians

Compiled by Our Staff From Dispatches

VILNIUS, Lithuania — Pope John Paul II, in his first visit to the territory of the former Soviet Union, called Sunday on the three Baltic states to uphold the rights of Russians within their borders.

Speaking to diplomats here on the second day of his seven-day Baltic tour, the Pope said he recognized the problems caused by the presence on Baltic soil of ethnic Russians linked to the former occupying Red Army.

But the Vatican also "acknowledged the aspirations of citizens of Russian origin asking to enjoy full human rights in their country of residence," he said.

His words come at a time of strained relations between Moscow and the Baltic republics over the pace of Soviet troop withdrawals, demands for compensation and the rights of ethnic Russians, a sizable minority in Latvia and Estonia.

In an outdoor mass before 100,000 people here Sunday, the Pope reached out to the Russian Orthodox Church and warned against the revival of ancient divisions in Europe.

He seemed intent on patching up differences with the 60-million-member Orthodox Church, which made its own gesture by sending a representative here. The Russian church's charges against the Vatican of overzealous missionary activity have been a major setback to the pontiff's goal of a united, more "Christian" Europe in the post-Communist era.

The Pope cited the "historical importance" and "glorious tradition" the Orthodox Church.

He also paid tribute to Lithuania's suffering during 50 years of Soviet occupation. He prayed at the tombs of 18 people killed by tanks and gunfire during their 1991 uprising against Soviet power.

He lauded the "desire for freedom which never faded," but he warned against "sinster new adventures, undertaken under the blind impulse of ideologies."

(AP, WP)

Ukraine Nationalists in Uproar

President Is Accused of Sellout in Fleet Deal With Russia

Compiled by Our Staff From Dispatches

MOSCOW — Nationalist legislators in Ukraine will demand the resignation of President Leonid M. Kravchuk on grounds that he has offered Russia nuclear warheads and Ukraine's share of the Black Sea Fleet, a news agency reported Sunday.

In Kiev, the Ukrainian capital, senior officials, including Mr. Kravchuk and his defense minister, Colonel General Konstantin Morozov, insisted that the agreement to hand over Ukraine's share of the 300-ship fleet in exchange for debt relief was not final.

The news agency Interfax quoted General Morozov as saying that during talks on Friday in Yalta between Mr. Kravchuk and his Russian counterpart, Boris N. Yeltsin, "President Kravchuk only instructed Ukrainian specialists to study the Russian president's proposals."

On Saturday, Mr. Kravchuk was quoted as saying that Ukraine might sell only some of the ships in the fleet to Russia to help pay its debts to Moscow, estimated at $3 billion. But he did not deny a statement by Mr. Yeltsin that Ukraine had agreed to transfer its 1,800 nuclear warheads to Russia in exchange for enriched uranium or money, or both.

Mr. Yeltsin and other Russian leaders on Saturday celebrated what they said were Ukraine's firm commitments to sell its share of the fleet and transfer its 1,800 nuclear warheads to Russia for dismantling.

Mr. Yeltsin himself apparently was trying to leave Ukraine no room to back down. "Yesterday all documents concerning this problem were signed," the Russian president said. "We believe the question is closed."

The deputy chairman of the Ukrainian parliament's defense and security committee, Igor Derkach, told Interfax on Sunday that nationalist deputies would seek Mr. Kravchuk's removal from office.

He said the reported agreement to transfer Ukraine's half of the fleet violated the country's constitution as well as the president's oath of office.

Valeri Shmarov, a member of Mr. Kravchuk's negotiating team, told reporters that the reported deal on the fleet was ruinous for Ukraine and that he would try to persuade the president not to sign it.

Politicians both within the government and in opposition charged that Mr. Kravchuk had traded away Ukraine's sovereignty to compensate for his government's failures in economic policy. The opposition leader, Vyacheslav Chernovil, issued a statement calling the agreements "national betrayal."

Ukraine's currency is in a free fall, prices have begun rising by 40 percent per month and free-market changes have barely begun. The government, meanwhile, is paralyzed by a three-way struggle among the president, prime minister and parliament.

Many saw the reported deal as the first step toward Russia's reasserting sovereignty over Crimea or all of Ukraine, which was part of the Russian empire for most of its history and is still viewed by many Russians as little more than a province. *(AP, AFP, WP)*

U.S. Missile-Sale Deal With Taiwan Reported

Agence France-Presse

TAIPEI — The United States has agreed to sell 41 Harpoon anti-ship missiles to Taiwan, the newspaper China Times said Sunday.

The repon followed a Chinese protest in Washington on Saturday of the previously announced U.S. sale of four E-4 Hawkeye early-warning aircraft and the leasing of three frigates to Taiwan.

China protested vigorously last year when the United States said it would sell F-16 warplanes to Taiwan, which Beijing said violated a U.S. commitment not to provide Taiwan with sophisticated weapons.

Taiwan's Defense Ministry declined to comment immediately on the reported agreement on the Harpoons, which have a range of 130 kilometers (80 miles) and can carry warheads of over 250 kilograms (550 pounds).

Quoting unidentified sources, the newspaper said documents relating to the sale were signed by Taiwan and U.S. representatives in Washington on Friday.

Some of the missiles are expected to be fitted on three Knox-class frigates that Taiwan has leased from the United States. The ships are scheduled for commission in October after refitting at the Long Beach naval station in California.

Taiwan has been seeking to buy missiles from the United States for a decade, but Washington, wishing to appease the Chinese, consistently rejected the proposals.

The China Times said Taiwan originally planned to buy 110 missiles but because of heavy recent military spending had cut the number to 41.

Hanoi Builds Cemetery For Dien Bien Phu Dead

Agence France-Presse

HANOI — Vietnam has started to build a huge cemetery to commemorate the 10,000 Vietnamese soldiers who fell in the decisive battle of Dien Bien Phu with the French, the army daily Quan Doi Nhan Dan said Sunday.

The cemetery, 300 kilometers west of Hanoi, will be spread over three hills. The eight-week battle ended on May 7, 1954.

WORLD BRIEFS

Cairo to Step Up Anti-Terror Efforts

CAIRO (Combined Dispatches) — The Egyptian government plans to intensify its struggle against Islamic fundamentalists who have been waging n terror campaign against the secular authorities, Interior Minister Hassan Alfi said Sunday.

General Alfi, who was wounded in an Aug. 18 assassination attempt by Muslim extremists, said security forces would soon launch a "decisive and dissuasive" series of operations to counter terrorism. He did not elaborate.

Meanwhile, an Egyptian military court on Saturday charged 65 suspected Muslim militants, including at least one army officer, with plotting to overthrow the government and with trying to revive the underground group that assassinated President Anwar Sadat in 1981, defense lawyers said. The suspects, some of whom were also accused of attempted murder, forgery, and illegal possession of weapons and explosives, could face the death penalty if convicted. *(AFP, NYT)*

Typhoon Eases in Japan, Toll Is 37

TOKYO (Reuters) — A typhoon eased off on Sunday after its violent winds and heavy rains battered southern and western Japan for two days and left at least 37 people dead, the police said.

The typhoon, designated Yancy, triggered 210 landslides, demolished or badly damaged more than 1,200 homes, felled trees and paralyzed most rail, sea and air links in the region. Fifteen fishing and ferry boats were sunk or damaged, and airlines canceled more than 500 domestic flights Friday and Saturday. At least 37 people were killed, 9 were unaccounted for and 155 were injured.

Hundreds of rescue workers continued to search for people buried in a mudslide on the southern island of Kyushu. Of the 20 known people trapped Friday in the rubble, 16 bodies have been recovered, the police said. The others were thought to be dead.

Turkish Leader Cautions Armenians

ANKARA (AP) — Prime Minister Tansu Ciller said she would ask the parliament to wage war if Armenia attacked the Azerbaijani enclave of Nakhichevan, and the army said it was making contingency plans. "If one spot of Nakhichevan is touched, I go to the parliament and obtain authorization for war," Mrs. Ciller said in an interview in the Istanbul newspaper Hurriyet.

The report came as Christian Armenian forces pushed further into Muslim Azerbaijan after taking control of the Armenian enclave of Nagorno-Karabakh in June. Turkey has put its troops on alert along the Armenian border, and Iran has sent forces to its border with Azerbaijan.

Nakhichevan, a mainly Azerbaijani autonomous state separated from Azerbaijan by Armenia, has a common border of 12 kilometers (7 miles) with Turkey. Referring to a 1921 border treaty with the Soviet Union, Mrs. Ciller said Turkey had guarantor power over Nakhichevan.

$7.7 Billion Moving Bill in Germany

BERLIN (Reuters) — The planned move of Germany's seat of government to Berlin from Bonn will cost 12.7 billion marks ($7.7 billion), a Berlin newspaper reported Sunday.

The Berliner Morgenpost, quoting a report prepared by the German interior minister, Manfred Kanther, said the estimate included 7 billion DM for plans for new building, 1.2 billion DM fees and planning costs, 2 billion DM for the purchase of land, and 2.5 billion for new housing for civil servants.

The parliament voted in 1991 to move the capital from Bonn, but it is still not clear when the move will take place. Planning of governmental buildings has begun, however.

5 Police Arrested in Rio Killings

RIO DE JANEIRO (Reuters) — Five military policemen have been arrested for taking part in the massacre of 21 slum dwellers here, a police spokesman said Sunday.

The suspects denied involvement in the murders, but police investigators piecing together the motives behind the killings found 17 hoods, automatic weapons and a laser rifle sight in one of their homes.

The police also found a car that matched a witness's description of a vehicle used in the attack a week ago. Some 30 gunmen were involved. The Brazilian press quoted the police as saying the massacre was related to the murder the day before of four military policemen who had been driving down a street close to the slum.

For the Record

President Jean-Bertrand Aristide of Haiti confirmed here that he would return to his country on Oct. 30, more than two years after he was deposed in a violent military coup. At a press conference in Paris, he thanked France and President François Mitterrand for their support, saying that the army's professionalism, the creation of a new police force and the reform of the legal system would allow him to return. *(AFP)*

Iraq's prime minister, Mohammed Hamzah Zubaydi, was removed from his post and replaced by Finance Minister Ahmed Hussein Khudayer, Baghdad radio said Sunday, the BBC reported. Baghdad said Mr. Khudayyir would retain the finance portfolio. *(Reuters)*

TRAVEL UPDATE

Hundreds of Air-India passengers have been stranded in India and abroad because of a dispute between pilots and cabin crew members. The dispute began when crew members refused to work with a pilot on a Bombay-Abu Dhabi flight on Thursday because he had put a cabin crew member off his plane a month earlier. Pilots started reporting sick on Friday. United News of India said the airline would cancel 5 of 12 scheduled flights on Sunday, including planes to Paris and Frankfurt, but an Air-India official said he could not give a number. There was no sign of an end to the deadlock. *(Reuters)*

This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Canada, Mali, Pakistan, Puerto Rico, São Tome, Swaziland, United States

TUESDAY: Brazil, Mozambique.

WEDNESDAY: Afghanistan, Liechtenstein, Lithuania, Malta, Rwanda.

THURSDAY: Tajikistan.

FRIDAY: Belize, South Korea.

SATURDAY: Chile, Ethiopia, South Korea, Pakistan.

Sources: J.P. Morgan, Reuters.

Hervé Villechaize, 50, TV Midget, Is Dead

Los Angeles Times Service

LOS ANGELES — Hervé Villechaize, who became famous as the elfin "Tattoo" on the American television series "Fantasy Island," died Saturday of an apparent self-inflicted gunshot wound, police and friends said. He was 50.

Mr. Villechaize, who stood 3 feet, 11 inches (1.19 meters) tall, shot himself about 3 A.M. Saturday on the backyard patio of his North Hollywood house, according to his publicist, Sandy Brokaw. In recent years, Ms. Brokaw said, Mr. Villechaize had become increasingly despondent about numerous health problems that had plagued him throughout his life.

"He had respiratory troubles, gastrointestinal troubles," she said. "If you wake up everyday and you just feel awful, you just give up. He was tired of the struggle."

The Paris-born actor played the role of Tattoo from 1978 to 1983, quitting over a salary dispute a year before the show's cancellation.

Mr. Villechaize initially studied to be a painter but switched to acting after moving from France to New York. He worked in supporting roles in stage and in films in the 1960s and 1970s before landing "Fantasy Island."

Meade Esposito, 86, N.Y. Machine Politician

NEW YORK (UPI) — Meade Esposito, 86, the last lord of an era of steely New York machine politics, died Friday of renal failure following a heart attack.

As head of the Brooklyn Democratic organization for more than a decade, Mr. Esposito controlled a political machine that counted nearly 600,000 Democratic voters — enough to swing a mayoral, gubernatorial or even presidential election in New York.

Elizabeth Corning, 81, Ex-Head of Garden Club

ALBANY, New York (AP) — Elizabeth Corning, 81, a well-known horticulturist and widow of longtime Albany Mayor Erastus Corning 2d, died Friday of emphysema.

Mrs. Corning was a two-term president of the National Garden Club of America. She was credited with discovering a rare type of clematis, later named Clematis Betty Corning. In 1971, she was awarded the Garden Club of America's achievement medal. Mr. Corning was mayor from 1942 to 1983, when he died in office.

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STATESIDE / 'DOUBLE DIPPING'

Targeting Business Tactics, Clinton Finds His Own Wanting

By Ann Devroy
Washington Post Service

WASHINGTON — A congressional inquiry has found a pattern of irregular, sloppy business practices in the Clinton White House, including the backdating of some employee pay raises and the payment of 25 workers out of both the transition and the White House accounts during the first three weeks of the administration, according to a draft copy of the findings.

The inquiry into White House personnel practices by the General Accounting Office is to be made public later this month. The draft copy, a result of negotiations between the White House and the accounting office last week, was obtained by The Washington Post.

The finding of White House failures to keep its house in order comes at a particularly inopportune time for President Bill Clinton, who on Tuesday will announce a major initiative to reform government practices overall.

The White House press secretary, Dee Dee Myers, said Saturday that the "double dipping" by employees — which totaled about $17,000 in overlapping payments from the campaign and the White House — "was wrong and is being corrected."

She called the findings "relatively minor" overall and said they reflected the "rough patches" the Clinton team went through as it entered office.

She said it "should not be surprising or unexpected" for a new administration to have some start-up problems, but neither The Washington Post nor congressional subcommittee workers could find any record of earlier transitions' displaying this range of personnel and pay irregularities.

This is the third report criticizing the Clinton administration's management of the White House.

Earlier this year, the accounting office, which is the investigative arm of Congress, found that the White House had failed to follow normal procurement procedures in obtaining a new computer system. In addition, an internal White House review of the dismissal of travel office workers, in which the administration office and its director, David Watkins, played a major role, highlighted a number of failures in that operation.

The latest inquiry was sought by Republicans on the House subcommittee that oversees the White House budget after career employees complained privately that they were being asked to engage in questionable personnel practices, according to Representative James R. Lightfoot of Iowa, the senior Republican on the subcommittee.

Mr. Lightfoot said in an interview that he had concluded from the study and other information gleaned by his subcommittee that problems at the White House were a result not of wrongdoing but of "incompetence."

He added: "They just constantly say they are too busy and too behind to follow proper procedures and rules."

These were among the key findings of the report:

• Double dipping. The report documents 25 employees of the Executive Office of the President who for a time received pay from both the White House and the General Services Administration, which processes pay for presidential transition employees.

The White House, in the report, acknowledges that such double pay was an error and says 10 of the 25 employees have reimbursed the government in part.

• Retroactive pay actions. Of the 611 people appointed to jobs between Inauguration Day Jan. 20 and April 24, the period covered by the review, 230 were "retroactive appointments." In effect, the workers received lump-sum paychecks for one to nine pay periods after they had been formally appointed to jobs and their papers processed. The total payments were $335,800.

The White House submitted statements from supervisors avowing that the employees had been working for the weeks covered by retroactive pay and said the pay had been required because the White House was unable to have the paperwork completed and processed on time. Officials said they "were too busy to take care of these personnel matters," the accounting office said in the report.

Government rules discourage retroactive pay because of the difficulty in proving that an employee actually worked and because of the potential for abuse.

• Retroactive salary adjustment. Twenty-two new appointees received salary increases retroactively, and eight had their salaries reduced. The increases ranged from $1,000 to $25,000 per year.

The accounting office questioned the legality of some of the retroactive raises but accepted Justice Department justifications in response. It noted in its report, however, that retroactive pay adjustments are "usually prohibited by law unless specifically authorized by statute" and are inconsistent with "generally applicable federal personnel rules."

The accounting office suggested that the White House be asked to offer Congress some "clarification" of how it intends to use the broad new pay authority.

• Financial disclosures. The inquiry found that 14 of 147 senior administration officials required by law to file public financial disclosure reports had failed to do so.

The White House has requested waivers of penalties for 11 workers on the basis that they did not know such forms were required.

Are $10 Handouts Art? U.S. Endowment Says No

By Seth Mydans
New York Times Service

LOS ANGELES — In the face of ridicule from its critics, the National Endowment for the Arts has withdrawn its backing for a project in which three conceptual artists hand out $10 bills to illegal immigrants near the Mexican border.

Noting that U.S. currency is neither "supplies" nor "materials" as specified in the grant to the sponsoring museum in San Diego, the endowment announced that the $4,500 to be handed out was an "unallowable expense."

The project, called "Arte-Reembolso/Art Rebate," is being carried out by Elizabeth Sisco, Louis Hock and David Avalos and involves giving crisp new $10 bills to illegal aliens, generally day laborers.

The artists say it is intended to demonstrate that these immigrants, who are coming under political attack as a burden on the economy, do, in fact, contribute through their labor and through sales taxes. The project also shows, the artists say, that the immigrants are linked through a chain of dollars with the rest of the economy.

Ms. Sisco was quick to respond to the endowment's decision, calling it politically motivated. She accused the agency of creating a fictional list of artistic materials that excludes cash.

"The $10 bills are the materials of the project," Ms. Sisco said. "The conceptual network we have created showing the link between all taxpayers relies upon those $10 bills. They are like the bucket of paint that a muralist would go out and purchase, like the slab of bronze a sculptor would use."

Josh Dare, a spokesman for the endowment, responded, "We don't have a listing of supplies and/or materials; nor do we have a definition of supplies and/or materials."

But, he added, "We do not consider United States currency a supply or material."

He also said, "This decision was made outside of the political climate and does not have anything to do with the controversial nature of the project."

The project received a $5,000 grant this year from the Museum of Contemporary Art in San Diego as part of an exhibition called "La Frontera/The Border." The artists spent $500 of that on supplies, including formal receipts signed by the immigrants, an expense that the endowment did not challenge.

"The Border" is, in turn, part of a four-year project called "Dos Ciudades/Two Cities," which received a $250,000 grant from the federal endowment. That grant was to be matched by $750,000 from other donors, including the state of California, the city of San Diego and the Rockefeller Foundation.

Thus, in principle, just one-fourth of the artists' giveaways come from federal money. Mr. Dare noted that nevertheless it was only the endowment, a long-standing lightning rod for conservative critics, that had drawn criticism.

Hugh Davies, director of the museum, said that he stood by the artists and would not ask for any money back or interfere with the one remaining handout of money that they plan.

"We just can't use NEA money for that part of the project," he said. "It means we'll have to do some budget shifting."

He said he regretted that the dispute had arisen at a politically sensitive time, diverting attention from the project's focus on immigration issues to questions about the endowment itself.

Confirmation hearings are scheduled this month for President Bill Clinton's nominee to head the endowment, the actress Jane Alexander. And Art Rebate is looming as a focus for congressional critics.

Mr. Davies said: "We believe we have done nothing wrong. We do not intend to back away from that position."

He said he believed that the endowment's decision "could have been politically motivated by people who want to destroy the NEA."

He added, "It is unfortunate that people like Duke Cunningham can intimidate artists' freedom of expression." He was referring to Representative Randy Cunningham, Republican of California, who taunted the agency in a series of letters, calling the handouts a "contemptuous use of taxpayers' hard-earned dollars."

Ms. Sisco did not appear to be intimidated. She said the artists planned to hand out the last of their $10 bills and then begin a series of exhibits of the receipts and other documents from their project.

Away From Politics

• Police investigating the kidnapping of Harrey Weinstein, the tuxedo manufacturer who was rescued after his abductors kept him in a pit for 12 days in New York City, arrested a fourth suspect, Victor Tejada, 23, of Corona, New York. He was charged first-degree kidnapping. Two other suspects are still being sought.

• A federal investigation of construction deficiencies in tunnels of the new Los Angeles subway will be overseen by the U.S. Attorney's office, sources familiar with the inquiry said. The action expands a yearlong FBI investigation of contracting and management practices on the multibillion-dollar Metro Rail project.

• Two New York City emergency medical technicians performed incompetently when they declared a Brooklyn woman dead as she lay unconscious and barely breathing in her apartment building in June, the New York State Health Department said. The woman, who was left without treatment for nearly three hours, later recovered.

• Nearly three months after the freighter Golden Venture ran aground off Long Island with nearly 300 illegal Chinese immigrants aboard, only 4 of the 10 bodies that were recovered in the aftermath have been identified.

• In a new book, Ralph Nader accuses the airline industry and the government of doing little to reverse growing dangers in air transportation, an accusation the industry and the Federal Aviation Administration vehemently deny. The book, "Collision Course: The Truth About Airline Safety," is a blistering attack on what Mr. Nader and his co-author, Wesley J. Smith, contend are outmoded aircraft, improperly trained pilots, unreliable air traffic control equipment, inadequate inspections and bureaucratic inaction.

• The launching of the space shuttle Discovery, scheduled for Sept. 10, has been delayed for a fifth time and will not occur until Sept. 12 at the earliest, the National Aeronautics and Space Administration said.

NYT, LAT, Reuters

AMERICAN TOPICS

New Parachute Saves The Entire Airplane

A parachute not for the pilot and passengers but for the plane itself is now available for small aircraft. Simply release the General Aviation Recovery Device, or GARD, and sit tight while the entire plane descends under a 1,600-square-foot (150-square-meter) canopy.

"The planes don't usually come out entirely unscathed, but the people do," said Dan Johnson of Ballistic Recovery Systems Inc. of St. Paul, Minnesota, which makes the GARD. Generally, there may be some wing damage.

The company has received Federal Aviation Administration certification to sell the device for use on the Cessna 150 or 152, the world's most popular two-seated trainers, and it plans to seek further certification for other small aircraft.

The 43-pound (65-kilo) GARD costs just under $5,500, plus about $900 for installation. The nylon parachute is deployed by a rocket within a half-second of activation, and the canopy fully inflates in about five seconds, according to the company's tests.

Mr. Johnson predicted that, in time, far bigger aircraft will use similar safety systems. "If you push out enough cloth, you can recover anything," he said, noting that the huge rocket motors used to launch the Space Shuttle are routinely recycled thanks to a triple-parachute system that allows them to be recovered after they fall away from the Shuttle.

Short Takes

The Los Angeles County Coroner's office has a gift shop that offers T-shirts with skeleton designs, personalized toe tags and beach towels with body outlines like those the coroner chalks on the carpet or sidewalk at the scene of a murder. Rejected as gift suggestions were celebrity autopsy reports, coffee mugs showing vultures and T-shirts that say, "My mobster uncle went to the morgue and all I got was this lousy T-shirt."

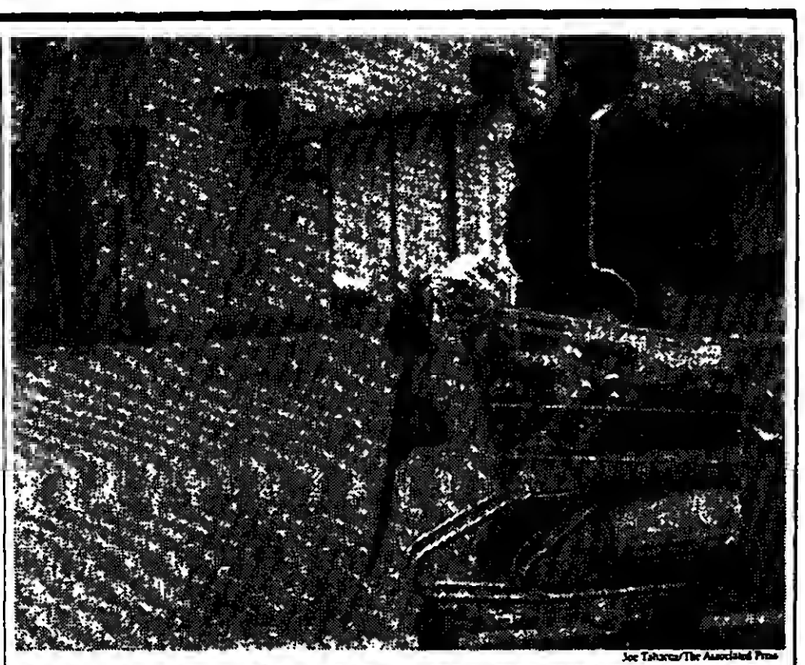
Last year the National Park Service spent $3 million on search and rescue. Starting next spring, the service will require people who take unusual risks to pay for their own rescue when they get lost or stranded. They will be encouraged to buy rescue insurance, and if they fail to do so, will be asked to reimburse the government for getting them out of trouble. Mountain climbers will be the first to be singled out, but such other high-risk activities as rock climbing, whitewater rafting and hang-gliding will eventually be included. "We are talking about people who make a conscious choice to undertake a high-risk activity, not billing the parents of a toddler who wanders out of the campground," a Park Service spokesman said.

Llamas are growing in popularity as protectors of sheep. They graze right along with the sheep, unlike dogs, who have to have food brought to them every day if they remain out in the open with their flocks. Donkeys are as good as llamas at chasing coyotes away, but they like to play with lambs and sometimes get too rough with them. Although a breeding female llama can cost up to $20,000, males go for a few hundred dollars and live up to 25 years.

What is art? David Jelinek, an art instructor, has his own answer to this age-old question. In a letter to the New York Times, he writes, "Is anyone who applies a Band-Aid a physician? Anyone who fixes an outlet an electrician? Anyone who takes a holiday in August a psychiatrist? It seems everyone is an artist. The word is up for grabs." Indeed, "many parents have openly dubbed their children artists. Not artistic, mind you, but artists. What would they think if I told them my argumentative 8-year-old cousin is a lawyer?"

Life imitates art at the farm near Dyersville, Iowa, where "Field of Dreams," about a farmer who turns part of his corn acreage into a baseball field, was filmed. The final scene of the movie shows cars lined up for miles to visit the field; today, cars do indeed line up for miles, the Los Angeles Times reports. The farm's owner, Don Lansing, charges no admission. By the end of the summer 40,000 people will have showed up. Local volunteers wearing the uniform of the 1919 Chicago White Sox, disgraced in a betting scandal, come out of the adjoining cornfield, just as they did in the film, to play a game of redemption for a couple of hours. Anyone in the stands can join in.

Arthur Higbee



Joe Tabacca/The Associated Press

NO CONNECTION — Traffic was slow, so a man crossing a Manhattan street with his belongings in a state-of-the-art shopping cart had time to check out part of his equipment.

Health Plan Would Tax The Extras On Salaries

By Robert Pear
New York Times Service

WASHINGTON — As part of the Clinton administration's health care reform package, salaried workers would have to pay taxes on benefits provided by an employer if the benefits exceed those in the standard package to be guaranteed to everyone, according to administration officials.

In addition, the officials said, employers could not take a tax deduction for the money they spend on such extra benefits.

These proposals represent a sharp departure from current law, under which employers can take a tax deduction for all their employee health insurance costs, and none of the benefits are counted as taxable income for workers.

The administration had hinted that it wanted to limit employers' tax deductions. But it was expected to avoid offending workers by rejecting a proposal to count some of their benefits as taxable income. The proposal is most likely to provoke strong reactions, particularly from organized labor, whose support for the president's plan is essential to its approval by both houses of Congress.

Unions have fiercely resisted these limits, or tax caps, saying their members gave up wages to get comprehensive health benefits and would be unfairly penalized if extra benefits were taxed as income. The unions have adhered to this stand even while acknowledging that any extra wages would be subject to taxes.

Alan V. Reuther, legislative director of the United Automobile Workers union, which is now engaged in contract negotiations with the Big Three automakers, said last week, "We are strongly opposed to the taxation of any health care benefits."

Robert E. McGarrah Jr., director of public policy for the American Federation of State, County and Municipal Employees, said the union's 1.3 million members had health benefits substantially more generous than those in Mr. Clinton's standard package. "We have consistently told the administration that the tax cap would be a big problem for us," said Mr. McGarrah. "We will fight it."

The administration is aware of the political risks in trying to limit tax breaks for health benefits. But administration officials say they see such curbs as necessary to encourage more cost-conscious behavior by consumers, workers and businesses.

Moreover, the officials say that, under President Clinton's plan, all Americans would eventually be entitled to comprehensive health benefits, including all medically necessary hospital and doctors' services, so they would not need extra coverage.

The officials said that young and old alike would be entitled to insurance coverage for prescription drugs under the Clinton plan. Such coverage would start in 1996, they said. Many people would have to pay the first $250 of drug costs, plus 20 percent of any drug charges beyond that; insurance would cover the remainder.

The president will unveil his plan in a speech to Congress this month.

★ POLITICAL NOTES ★

In Defense of a Full Legislative Agenda

WASHINGTON — Responding to criticism that he is trying to do too much at once, President Bill Clinton said the proposals he planned to send Congress this month to overhaul the health-care system, remove trade barriers with Mexico and make the bureaucracy more efficient were aimed at the same target, a stronger economy.

"Health security, expanded trade and reinventing government really aren't separate goals," the president said in his weekly radio address. "They are part of a comprehensive strategy to promote long-term growth, increased incomes, more jobs and a stronger American community."

On Tuesday, Vice President Al Gore will release recommendations for streamlining the bureaucracy. The next week, the White House plans to begin its drive to win congressional approval of the North American Free Trade Agreement. And the week after that, Mr. Clinton is scheduled to present his health-care proposals.

Many politicians have questioned whether so many measures can be absorbed at the same time. For example, Richard A. Gephardt of Missouri, the House Democratic leader, said in a recent interview that unfortunately big debates could not always be isolated from one another. "It is hard for the country to take on more than one debate and issue at a time," he said. "You lose the edge and the focus." *(NYT)*

Subpoena Snares a Republican Senator

HOUSTON — Kay Bailey Hutchison, the Republican who gained national stature earlier this year with her landslide election to the U.S. Senate, has been issued a subpoena to appear before a Texas grand jury that has been investigating her tenure as state treasurer.

The grand jury has been looking into accusations, some from former subordinates of Mrs. Hutchison's, that Texas Treasury employees were used to perform political and personal duties for her during the two and a half years she served in the post, which she resigned in June to take her Senate seat.

Mrs. Hutchison, who won an 18-month term to fill the seat vacated in January, when Lloyd Bentsen became secretary of the Treasury, is up for election to a full six-year term in November 1994.

She has repeatedly denied wrongdoing and has said one overzealous employee resigned after acknowledging that he had collected fund-raising data on a state computer. *(NYT)*

For a Speech, Bush Makes a Cool $100,000

Last year, George Bush probably made the equivalent of a speech a day and received $200,000 for his year's trouble.

On Saturday, Mr. Bush received $100,000 for a single speech to a convention of Amway distributors in Atlanta, according to a report in the Atlanta Journal and Constitution. Amway is a directing marketing organization.

Pete Zeph, an account executive at Capital Speakers Inc., said he did not know of another fee that large for a single speech. "There's been a few people — say, sports celebrities — that may get $100,000," he said, "but it's for four speeches and showing up at a sports-type clinic."

In contrast, he said, the going rate for former President Ronald Reagan is about $60,000 per speech, about the same as for Lady Thatcher, the former British prime minister. The tycoon Donald Trump gets about $50,000, while Barbara Bush takes in $40,000 to $60,000.

Former Vice President Dan Quayle is getting $12,500 for a speech he made at Old Dominion University in April. *(WP)*

Tom L. Chappell/Reuters

Mr. Bush reacting to an ovation during his $100,000 speech.

Quote/Unquote

Representative John Conyers Jr., Democrat of Michigan, and chairman of the Government Operations Committee, on the issue of streamlining: "Like a steamship in open water, the government can't be expected to turn around on a dime." *(NYT)*

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International Herald Tribune
Published With The New York Times and The Washington Post

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+Austria	022-903-014	Colombia-English	980-13-8010	△Hong Kong	011	○Macao	0800-121
Bahamas	1-800-389-2111	Colombia-Spanish	980-13-8110	+✓Hungary	06◆800-01-877	+Malaysia	800-0016
△Barbados	1-800-877-8000	+Costa Rica	163	+India	000-127	Mexico (Mexico City)	95-800-877-8000
+Belgium	078-11-0014	◗Cyprus	080-900-01	Indonesia	00-801-15	+Monaco	19◆0087
Belize (Hotel)	556	+Denmark	8001-0877	+Ireland	1-800-55-2001	+Netherlands	06◆022-9119
Belize (ITT pay phones)	#1	▲Dominican Republic	1-800-751-7877	+Israel	177-102-2727	New Zealand	000-999
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Brazil	000-80[illegible]	+Finland	9800-1-0284	+Japan	0066◆55-877	+Norway	050-12-877
△British Virgin Isl.	1-800-877-8000	+France	19◆0087	✓Kenya	0800-12	Panama	115
Cambodia (Phnom Penh)	80-01-01	+•Germany	0130-0013	◆◆Korea	009-16	▲○Paraguay	008-12-800
○○Cambodia (Phnom Penh)	22110	+Greece	008-001-411	‡Korea	550-FONE	✓Peru	196

Philippines (ETA network)	105-01	+Turkey	99800-1-4477
✓Philippines (PLDT)	102-611	+United Arab Emirates	800-1-0011
+Poland	0010-800-0115	United Kingdom	0800-89-0877
+Portugal	05017-1-877	△United Kingdom	0500-900-900
~Puerto Rico	1-800-877-8000	~U.S.A.	1-800-877-8000
+San Marino	172-1877	~U.S. Virgin Islands	1-800-877-8000
+Singapore	8000-177-177	○○Uruguay	000-417
✓+South Africa	0-800-99-0011	+Vatican City	172-1877
Spain	900-99-0013	Venezuela-English	800-1111-0
△St. Lucia	187	Venezuela-Spanish	800-1111-1
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Sihanouk Reverses His Field on UN

Agence France-Presse

PHNOM PENH — Only a few hours after severing relations with the United Nations, Prince Norodom Sihanouk changed his mind and agreed to restore them, according to a letter issued Sunday by the Royal Palace.

He agreed to receive the chief of the UN Transitional Authority in Cambodia, Yasushi Akashi, on Friday in Beijing.

But the prince, in three other messages dated late Saturday, further explained why he had rejected the decision made by Cambodian leaders, himself included, for him to accept the throne, and indicated that he might be cajoled into changing his mind on the issue.

"I accept to restore my relations with UNTAC, and I will have the honor to receive you in Beijing at the date you have set, Sept. 10," the prince wrote to Mr. Akashi. He cited "the terms of your noble letter, and the respect, the affection and the gratitude that I owe you as well as UN Secretary General Butros Butros Ghali," for the shift.

In separate letters to the Cambodian leaders Chea Sim and Son Sann, the prince alluded to his declaration that he would not support a restoration of the monarchy.

He cited reports that "the proposal to restore the monarchy stirred up a wave of protestations and criticism among our compatriots on the one hand and among people in UNTAC on the other."

"If the restoration of the monarchy and my renomination as king divides our nation instead of consolidating national unity," he wrote, "we must renounce the restoration and my nomination."

Cambodian leaders met Prince Sihanouk in the North Korean capital, Pyongyang, last week and agreed that a monarchy would be readopted when a constitution is ratified on Sept. 15, and that the prince would become king.

The sudden shift could be related to a power struggle between the prince and his son, Prince Norodom Ranariddh. A constitutional monarchy would favor Prince Ranariddh, who is most likely to inherit the throne.

The alternative is another constitution drafted by a multiparty committee. It calls for a parliamentary system with a head of state elected for a five-year term.

7 Nigerians Die in Ambush, and Somali Warlord Is Blamed

By Keith B. Richburg
Washington Post Service

MOGADISHU, Somalia — Seven Nigerian peacekeepers were killed Sunday and seven wounded in an ambush engineered by a renegade Somali warlord who has been waging a campaign to drive United Nations troops out of the country for three months.

Two Pakistani soldiers and an American State Department employee were wounded in separate attacks, which UN officials also attributed to the fugitive warlord, General Mohammed Farrah Aidid. The American, identified as a political officer with the U.S. Embassy, was shot in the chest when his car was ambushed near the site of the attack on the Nigerians. He was reported in stable condition after surgery.

On Sunday evening, American combat helicopters took to the sky and could be heard firing. Small-arms fire could be heard in the vicinity of the attacks, which occurred near an abandoned pasta factory.

The killings brought to 47 the number of UN troops killed since the United Nations assumed control of the operation in May.

Earlier deaths had prompted President Bill Clinton to dispatch additional U.S. troops, 400 elite rangers to Somalia to try to capture the general. The violence has also prompted American politicians and commentators to call for a review of the U.S. role in the conflict.

American and UN officials said "circumstantial evidence" indicated that the attacks Sunday were the work of General Aidid's militia.

After the dawn ambush of the Nigerians, a crowd of angry Somalis, many children, gathered around the mutilated corpses, kicking and stomping them and chanting the warlord's name.

Another Nigerian soldier was reported held hostage by Somali militiamen. UN troops were reported to be negotiating for his release.

Several Somalis were believed to have been killed or injured when the Nigerians returned fire, but precise casualty figures from the Somali side varied.

Nigerian commanders bitterly blamed the Italians, who have a tacit "agreement" with the gunmen, for having fomented the ambush. They also accused the Italians in the area of having stood by while the arriving Nigerian troops in open pickup trucks were being slaughtered.

After the attacks, Somali gunmen threw up barricades of burning tires and debris across a highway called 21 October Road, which has been the scene of much violence.

Thick black smoke rose from the fires, and on the street itself, the scene was reminiscent of the days before the foreign troop intervention, with angry young Somali men openly brandishing assault rifles in defiance of UN efforts.

The Nigerians were ambushed as they were moving in to replace the Italian troops, who are being moved to the countryside because of disagreements between Italy and senior UN commanders over the conduct of the war against the general.

UN officials have accused the Italians of making separate deals with General Aidid's militiamen to avoid attacks on Italian troops in neighborhoods that the warlord controls. In an effort to avoid a confrontation, the Italians have apparently agreed to suspend weapons searches in the areas and to consult with community "elders" believed allied with the general.

Lieutenant Colonel Ola Oyinlola, commander of the Nigerian Army contingent here, said of the Italians. "They deliberately left the Nigerians alone — there was no doubt about it."

He said the Italians stationed near the spot where the Nigerians had been pinned down in a two-hour fire fight refused to open fire to assist the Nigerians. At one point, he said, they even asked the beleaguered Nigerians to move away from an Italian armored vehicle so as not to draw fire against the Italians.

The American was ambushed as he rode in a two-car convoy in the vicinity of the ambush, on his way to northern Mogadishu, American officials said.

An official said it was unclear whether the American cars had been specifically targeted for ambush, or whether the diplomats had simply run into "the edges of the fracas."

CHINA: *A Demand That U.S. Apologize Over Ship*

Continued from Page 1

there still be justice, sovereign equality and normal state-to-state relations in this world?"

The certification that the ship was not carrying any chemical-weapons cargo was signed in Dammam by representatives of all three governments, including an American technical adviser to the Saudis who was not identified.

In a dispatch from Saudi Arabia, the Xinhua press agency said that the chief Chinese representative on the inspection team, Sha Zukang, had released the inspection report. It said the inspection had showed "conclusively" that the chemicals in questions were not aboard.

The report also said, "The U.S. government undertakes to inform the governments of the countries at which the Chinese ship Yinhe had been scheduled to call of the results of this inspection and to seek to insure a smooth entry of the ship into the ports concerned to unload its cargo."

In Washington, a State Department spokesman, Michael McCurry, said Saturday that the United States felt it had acted "responsibly" and thanked China for the "open and forthright" way it had submitted the ship for an inspection.

[As for financial compensation, Martin Judge, another State Department spokesman, said, according to The Washington Post: "The cargo inspection was done with the full consent of China. The U.S. government informed China prior to the commencement of the search that it could not accept any financial liability as a condition of the search."]

The Chinese reaction was vigorous. "China strongly demands that the U.S. take immediate steps to remove the adverse consequences of its false intelligence," the Foreign Ministry statement said.

The Chinese government said those steps should include a public apology by the Clinton administration and compensation to the ship and crew.

The conclusion to the incident left embarrassed U.S. officials wondering what had misfired. They said they had received intelligence so reliable about the contents of two dozen of the 782 containers on the cargo ship that the United States in late July began demanding through private diplomatic channels than China turn the ship around.

Some American officials called the incident "very disturbing" because it raised questions of whether China had undertaken to run a "sting" operation to embarrass Washington.

The fact that China was first to go public on Aug. 8 about the incident, saying that one of its cargo vessels approaching the Gulf was under intrusive surveillance by U.S. warships, was one indication to these officials that China had wanted a showdown.

Another indication was revealed by the Chinese Foreign Ministry statement this weekend, which said that on Aug. 4 China "put forth a positive proposal for a third-party inspection" of the Yinhe, but the United States initially refused.

China also used this weekend's statement to reiterate its public commitment to control the spread of chemical weapons.

LEGACY: *Post-Communism's Worst-Case Scenario*

Continued from Page 1

proved to be a bomb that blew us up."

This is the first in a series of articles about the legacy of communism, the utopian ideology that gave birth to the most far-reaching totalitarian regime the world has ever known. A two-month journey from the center of Europe to the shores of the Pacific Ocean revealed deep scars — ranging from the lack of democratic institutions to the destruction of the environment to widespread cynicism and pessimism — that will almost certainly take generations to heal.

The jubilation that many felt when the Berlin Wall came down in November 1989 has given way to the realization that the death of communism did not automatically mean the birth of democracy. Millions of people have benefited from the stunning political and economic changes of the last four years. But millions of others have been killed, raped or driven from their homes in the ethnic wars that have broken out in the Balkans and parts of the former Soviet Union.

"Is there any system that is worse than communism?" goes the latest political joke making the rounds in Eastern Europe. Answer: "Yes, postcommunism."

If there is a common thread to conversations in Moscow and Berlin, Belgrade and Warsaw, it is that the much-touted triumph of the West's brand of economic and political freedom is far from inevitable. The most obvious result of the end of communism has not been the "end of history" predicted by one American pundit, but history's violent resumption in the former East bloc after a long period of dormancy.

History, it is now clear, remains capable of many surprises. "They used to tell us that there were many different roads to socialism," said Adam Michnik, the ideologist behind the Solidarity union movement, which helped start the anti-Communist revolution in Poland. "Now it turns out that there are many roads away from socialism."

The road to disaster is represented by the former Yugoslavia. Here, the combination of an economic collapse brought on by the failed socialist system and the exploitation of nationalist prejudices by former Communist apparatchiks determined to preserve their political power led to an explosion of violence and hatred whose effects may spill over outside the Balkans.

With the exception of a handful of ruthless politicians and black-market speculators, there have been no winners in the Yugoslav war. Even Serbia, which backed the people who grabbed the most territory, is saddled with an inflation rate of 2 percent to 3 percent an hour, hundreds of thousands of refugees, seething minorities and international pariah status.

An alternative path is offered by Poland. After three years of painful "shock therapy," which resulted in a steep drop in national production, Polish reformers are being rewarded with the first fragile signs of recovery. Poland has reaped numerous security benefits from the end of the Cold War and now appears more stable than many countries in Eastern Europe.

In the end, it is Russia whose fortunes are most likely to prove pivotal for the postcommunist era. The original homeland of world communism bears the heaviest burden from the past and faces the most uncertain future.

Three-quarters of a century after the Bolsheviks grabbed power in the name of the proletariat, a new generation of Russians face the task of rebuilding their devastated country. In many cases, they are so disillusioned by the failure of communism that they no longer believe in the possibility of a better, more normal life.

To understand how Vukovar was destroyed by violence, there are few better prisms than the factory in which Mr. Radakovic and Mr. Djurisic worked. Employing more than 20,000 workers, the sprawling plant just outside town dominated the local economy. Many of the toughest fighters on the Croatian and Serbian sides came from the factory — and the fiercest fighting took place in its immediate vicinity.

Founded in 1930 by a Czech industrialist, Jan Bata, the Borovo factory attracted workers from all over Yugoslavia. At first, it was a model of progressive management, modern production techniques and ethnic harmony. By the late 1980s, it had become a symbol of everything that was wrong: a bloated work force, obsolescent technology and low productivity.

"The political crisis in Yugoslavia was the direct result of economic collapse," said Josip Kovac, who used to work in the factory's financial department. "When you and I are fighting for the same job, all our differences come to the surface: nationality, religion, political affiliation. If everybody had work, we would not have seen such political turmoil."

The approaching disaster should have been visible to everyone. Factory managers now acknowledge that they did everything they could to conceal the chronic losses of the Borovo plant for the best part of the decade. By delaying investment decisions and using huge bank loans to pay the monthly wage bill, they were able to maintain the fiction that the factory was making a small profit.

The crisis at the Borovo factory and dozens of other such dinosaurs around Yugoslavia erupted with full force in 1990, when it became impossible to cook the books any longer. Productivity per worker had declined to less than 50 percent of the 1939 level. The factory was hit by a wave of strikes to protest salary cuts and layoffs. When the time came for mass dismissals, the factory was an ethnic time bomb waiting to explode.

LEAK: *No Danger Seen*

Continued from Page 1

dence of the large explosion in the sub's torpedo compartment, including a ragged hole 20 to 30 feet across.

"We were all surprised at how fast corrosion was taking place," he said, adding that some of the nonnuclear torpedoes nearby were seen to be "oozing out" of their tubes.

The nuclear torpedoes could not be examined directly, he said, but external evidence suggested they were probably "mashed up" in their tubes and possibly leaking plutonium from their warheads.

Plutonium does not dissolve in seawater. As it flakes and corrodes, Mr. Hollister said, it would tend to bind with nearby sedimentary clay particles, which would lie on the bottom unless stirred up by undersea storms or strong currents.

But he added that new research indicated that bottom currents in the area were quite weak, virtually eliminating the danger that plutonium might be swept into North Atlantic fishing areas. Instruments found the underwater currents to be quite slow, moving at a rate of about one mile an hour.

Scientists on the voyage from Woods Hole and the P. P. Shirshov Institute of Oceanography in Moscow found "major errors" in earlier measurements and reports of fast currents by the submarine's designers, the Rubin bureau in St. Petersburg, Mr. Hollister said.

Igor D. Spassky, director of the Rubin bureau, argued in an article in The New York Times in June that a strong flow in the area made the Komsomolets dangerous.

But Mr. Hollister said visual inspections showed that the ocean floor near the submarine was placid. "Nothing has been through there in the last 10,000 years that matches the kind of velocities they were talking about," he said.

He added that heavy sediment was accumulating on the ocean floor at the rate of about an inch annually.

"It's raining down and staying put," he said. "In a sense it's a natural cleansing. Any radioactive particles that get out will be buried. When all is said and done, the situation is not all that bad."

As for the sub's nuclear reactor, the Russian scientists found signs of leaking cesium-137. But the levels were quite low, Mr. Hollister said, and similar nondangerous levels had been detected on earlier inspections by the Russians.

Referring to earlier speculation about the possibility of raising the warheads for disposal, Mr. Hollister said, "Everybody agrees you're not going to get the nukes back."

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MIDEAST TALKS / 'PEACE IS MADE WITH ENEMIES'

Up to Palestinians, Assad Says

Arafat, in Damascus, Fails to Get Hoped-For Support

Compiled by Our Staff From Dispatches

DAMASCUS — President Hafez Assad of Syria said Sunday that it was up to Palestinians to decide what they deem fit on a negotiated offer from Israel of interim self-rule in occupied territories.

He thus threw the ball back in the Palestinian court on the PLO-Israeli peace agreement. The PLO chairman, Yasser Arafat, had sought public approval from Mr. Assad for the Palestinian autonomy accord with Israel.

Mr. Arafat, buoyed by support from his own Palestine Liberation Organization faction and from King Hussein of Jordan, met Sunday with Mr. Assad, Foreign Minister Farouk Shara and other Syrian officials, according to a spokesman for Mr. Assad.

Mr. Arafat had said of Mr. Assad before the meeting: "I will listen to his good and valuable advice on all that concerns our Palestinian cause and our march."

The cause was passing through "important moments of destiny," Mr. Arafat added in an interview with the Syrian press agency SANA.

Syria's official press on Sunday denounced the accord, which would grant Palestinian autonomy to the Gaza Strip and the West Bank town of Jericho, as a "violation of the peace process" in which Syria, Lebanon, Jordan and the Palestinians had promised not to strike separate deals. Lebanon has issued similar criticism.

On Saturday, Mr. Arafat won the backing of El Fatah, the largest PLO faction. But an official of Fatah said Sunday that divisions still existed within the the mainstream faction of the PLO over the accord, and that stiffer resistance awaited Mr. Arafat in the PLO's Executive Committee, which is to meet on Thursday, and in the Palestinian Central Council.

Mr. Arafat also received a strong public endorsement on Saturday from King Hussein of Jordan. Setting aside his own misgivings about not being consulted sooner about the negotiations, which took him and other Arab leaders by surprise, the king said in Amman that the proposed agreement was "a very serious movement forward" toward Mideast peace.

Mr. Arafat flew to Syria from Tunis, where he had held several days of discussions with Fatah members. He made a refueling stop in Cairo, where he met with the Egyptian foreign minister, Amr Moussa, at the airport and spoke to President Hosni Mubarak by telephone.

Egypt, which signed a peace treaty with Israel in 1979, supports the tentative accord and reportedly has been trying to mediate between Mr. Arafat and his longtime adversary, President Assad.

Before flying on to Damascus, Mr. Arafat told reporters, "We're on the verge of finalizing this agreement."

But he added without elaboration that there were "still some obstacles that stand in the way" of the two sides' formally recognizing each other, a key issue before the accord can be signed.

Within Mr. Arafat's organization, some of the most vehement opposition to the accord has come from Damascus-based radical Palestinian factions represented on the 18-member Executive Committee. Backing from Syria, which has influence over the factions, is vital if the committee is to let Mr. Arafat proceed.

So far, opposition within the PLO has revolved around assertions that Mr. Arafat ignored the status of Jerusalem and did not provide for the return of the 3.5 million Palestinian refugees.

During the Fatah meetings, some members also said the plan made no provision for dismantling Jewish settlements in the occupied territories and that it would give the Israelis the right to police the occupied lands, PLO sources said.

Mohammed Jihad, the head of Fatah's military organization in the occupied territories, said the accord "falls short of the minimum legitimate Palestinian national rights".

Asserting that the deal "legitimizes Israeli occupation," he said in an interview with SANA in Tunis that committee members were divided over the tentative agreement.

He said that the draft accord ignored the issues of refugees, Jerusalem, Israeli settlements and border security, and lacked any Arab or international guarantees that interim self-rule would be followed by final settlement of the Palestinian problem.

In Riyadh, six Arab Gulf states announced Sunday that they supported the accord. In a statement, the six-member Gulf Cooperation Council said it "welcomed the draft accord as a first step on the path to a just, durable and comprehensive settlement of the Palestinian cause and Arab-Israeli conflict."

(AFP, AP, Reuters, NYT)

Nam Huynh/The Associated Press

Demonstrators in a fountain in Tel Aviv during a rally by nearly 100,000 supporters of the accord.

A Step to Becoming Recognized Rivals

Israeli-PLO Pact Would Shift Course of Middle East Politics

By Thomas L. Friedman
New York Times Service

WASHINGTON — If implemented, the Palestinian autonomy plan and declarations of mutual recognition by Israel and the Palestine Liberation Organization would be the most fundamental change in Arab-Israeli politics since the conflict began.

For almost 100 years the Israeli-Palestinian conflict has proven insoluble because the two sides would not recognize each other as legitimate enemies. Israel dismissed the Palestinians as either terrorists or individuals, not a nation with legitimate claims on historic Palestine; the Palestinians dismissed the Israelis as either "colonizers" or members of a religious community, not a nation with rights in the land of Israel.

NEWS ANALYSIS

If there is a reason to be optimistic now, it is not because the two sides have agreed on what the solution is; that will take a lot more time. It is because after all these years they seem to be finally agreeing on what the problem is. It is not a question of who is going to own the whole pie, but what size each side's slice should be.

It is still very possible that Israelis and Palestinians will not be able to answer that question with mutual satisfaction, but the big breakthrough is that both are finally asking the right question. They are finally recognizing each other as legitimate enemies that have to be reconciled — not ignored, demonized or defeated.

"I am ready for painful compromises," said Prime Minister Yitzhak Rabin of Israel. "Peace is not made with friends. Peace is made with enemies, some of whom — and I won't name names — I loathe very much."

The stakes are enormous, because the conflict between Israelis and Palestinians has always been at the core of both the Arab-Israeli conflict and the Jewish-Muslim fundamentalist struggle. That core conflict was so potent because it was about home. For 100 years, through violence and delegitimization, Israelis and Palestinians have made sure that the other was never allowed to feel at home in Israel.

If the core conflict can begin to be resolved, it will take a lot of the steam out of the regional conflict and the religious conflict. If the deal proves good enough for the Palestinians, who are the Iranians, or the Libyans or the fundamentalists to decry it?

But it is precisely because this tentative accord has so much potential to do good that its failure, or collapse, has such potential to wreak havoc. For three decades, the notion of a direct Israel-PLO dialogue has been viewed as the last card. Now it is being played, and if it does not provide the key to unlock this conflict, the implications will be devastating, because the diplomats have nothing else up their sleeves.

Hard-liners on both sides understand the implications of this tentative accord, and that is why they are so agitated. The question is whether the leaders who initialed the deal understand not only its rights, but its responsibilities.

Is Yasser Arafat ready to live within the straitjacket restrictions on autonomy in Gaza and Jericho that will be required for the five-year transition period before any statehood? Having lived as a celebrated exile for so many years, conferring with kings and heads of state, is he now prepared to collect the garbage, fix the sewers and discipline extremists in his ranks when they attack Israelis?

Do Israel's leaders fully grasp that they are planting the seeds of a legitimate Palestinian state on their borders — that their Mossad intelligence service will henceforth have responsibility for protecting Mr. Arafat, not stalking him, and that the pro-Israel lobby in Washington will soon be using its power to lobby Congress for aid to both Israel and the nascent Palestinian state, because Israel cannot afford a Somalia on its doorstep?

Finally, the question is whether the vision of a common future that motivated a tiny group of Israeli and Palestinian leaders will be able to transcend and eventually level the mountain of mistrust that most of their peoples still share.

ISRAEL: *Pressing Arafat*

Continued from Page 1

the Jaffee Center for Strategic Studies at Tel Aviv University, said that until now the PLO "has not yet been willing to renounce what they view as legitimate resistance to the occupation, including violence." But Israelis do not see the difference, he said, and to sell the new agreement to the country, Mr. Rabin must extract from the PLO a pledge to halt both kinds of violence.

However, Palestinian sources said it might be difficult for Mr. Arafat to call off the intifada so directly. They said such a call would be certain to increase criticism from hard-line Palestinian groups that Mr. Arafat had sold out the Palestinian cause, and they added that it was unlikely that the Islamic Resistance Movement, or Hamas, would stop intifada attacks.

Bonn Aid Urged To Support Pact

Reuters

BONN — Germany's senior Jewish leader has urged Bonn to contribute heavily if Europe and the United States forge an economic aid package to shore up a peace deal between Israel and Palestinians.

Ignatz Bubis, chairman of the Central Council of Jews in Germany, commented in an article in the newspaper Bild am Sonntag that the Middle East needed a "Marshall Plan."

"The German government should take part in this kind of program to the greatest possible extent," he wrote.

GOLAN: *Israel Is Reported Ready to Make Deal With Syria on Heights*

Continued from Page 1

Gaza, which most Israelis want to get rid of.

For years, until the 1967 war, Syrian artillery on the Golan Heights had shelled northern Israeli settlements in Galilee. Then in 1967, Israel captured the Golan, along with East Jerusalem, the West Bank, Gaza and the Sinai Peninsula. All governments here have since reaffirmed how essential the plateau is to national security.

Mr. Rabin, who was the army chief of staff in 1967, did not sound any different himself during his successful election campaign last year. But he began to shift soon after taking office, suggesting that he was prepared to give back large portions of the heights — though not all — if it meant a genuine peace treaty with the Syrians.

His oft-stated formula is that Israeli is ready to withdraw "on" but not "from" the Golan. Some 12,000 Israelis live there, a majority of them supporters of Mr. Rabin's Labor Party and many who believe they have been betrayed.

Many political commentators are convinced that Mr. Assad would settle for nothing less than a complete return of the territory, especially since Israel gave the late President Anwar Sadat of Egypt all of Sinai in exchange for a peace treaty, signed in 1979.

Even if Syrian sovereignty on the heights is asserted, it is likely that an actual Israeli pullback would be years away, several officials said.

An article Sunday in the newspaper Ma'ariv said that one idea being discussed is to begin by demilitarizing a wide swath of the Golan on either side of the present cease-fire line, drawn in 1974.

Complicating both the emotions and domestic politics on this issue is that Israel in effect annexed the Golan Heights 12 years ago, something it has not done with Gaza and the West Bank and the estimated 1.8 million Palestinians living there. On Dec. 14, 1981, with Likud in power, parliament extended "the law, jurisdiction and administration of the state" to the plateau. Presumably, that law would have to be repealed, an effort that is sure to be strongly opposed, even by members of Mr. Rabin's own party.

FBI and Military To Simulate Blast

New York Times Service

NEW YORK — The Federal Bureau of Investigation has revealed plans to build and detonate a bomb like the one used in the World Trade Center bombing, and federal prosecutors have informed defense lawyers that the government may videotape the explosion.

Defense lawyers immediately protested. According to the notice they received, the FBI and military explosive experts intend to set off a "large-scale test explosion" of "chemicals similar to those used" in the bombing of an underground parking garage at the World Trade Center on Feb. 26.

Palestinian Slain By Israeli Soldier

Reuters

JERUSALEM — An Israeli soldier shot and killed a Palestinian who had stabbed a soldier at the entrance to an army base in the occupied Gaza Strip, Israeli state radio said.

Palestinian sources identified the dead man as a member of the Hamas Islamic fundamentalist movement, which has vowed to step up its armed struggle against Israel to wreck the proposed accord on Palestinian self-rule.

The Israeli Army said it was investigating the radio report, which said the Palestinian stabbed and slightly wounded a soldier.

BRIDGE

By Alan Truscott

WASHINGTON — The United States Congress went from voting in the Capitol to dealing at the Capitol Hill Club here Thursday, and came within a touch of a famous victory.

The Congressional team was led, by former Representative Bob Kastenmeier of Wisconsin. Playing with Senator Hank Brown of Colorado, he reached three no-trump as South, with Jimmy Cayne, president of the brokerage house of Bear, Stearns, and Rita Shugart, President of the Monterey Airplane Company, in the East and West seats.

As South seemed prepared for a diamond lead. West tried a spade. South won in his hand and faced the problem of the club suit. The routine play was to cash the ace and king, setting up a marked finesse if East held a singleton honor, but Kastenmeier recognized that this was most unlikely: West had overcalled in diamonds, had led spades and rated to have some hearts, since East had failed to bid that suit.

South therefore led a low club and was rewarded when West showed out. It was then easy to win with the queen and lead clubs toward the closed hand, neutralizing East's J-10. South emerged with four club tricks, two spade tricks, two diamond tricks and a heart trick, making a game that failed in the replay and gaining 10 imps for the Congressional team.

The Corporate team was captained by Warren Buffett, chief executive of Berkshire Hathaway. George Gillespie 3d, a corporate lawyer, Nick Nickell, president of Kelso and Company, and Warren Spector of Bear, Stearns, .

NORTH
♠ A 9 5
♡ Q 9 6
◇ J 3 2
♣ Q 9 8 4

WEST
♠ Q J 4 2
♡ J 10 7
◇ K 10 9 8 7 5
♣ —

EAST (D)
♠ 10 8 6
♡ A 5 4 3
◇ 6
♣ J 10 6 5 2

SOUTH
♠ K 7 3
♡ K 8 2
◇ A Q 4
♣ A K 7 3

Neither side was vulnerable. The bidding:

East	South	West	North
Pass	1 ♣	1 ◇	2 ♣
Pass	3 N.T.	Pass	Pass
Pass			

West led the spade two.

BOOKS

TO THE WHITE SEA

By James Dickey. 272 pages. $22.95. Houghton Mifflin.

Reviewed by
Jonathan Yardley

A QUARTER-CENTURY ago James Dickey was scarcely known beyond the rarefied poetic circles in which his career to that point had been spent. It is true that one of his collections, "Buckdancer's Choice," had won a National Book Award in 1966; that a long poem called "Falling" had attracted attention when it appeared in The New Yorker the following year; that some magazine editors were aware that Dickey, a former college football player and advertising copy writer, was a more interesting feature subject than most of his fellow poets. But apart from the small flurries produced by these novelties, Dickey worked in obscurity.

He emerged from it in 1970, as hundreds of thousands of readers well know, with the publication of "Deliverance," his first novel, a remarkable account of danger and survival in the far woods of Georgia. It became a huge best-seller and subsequently was made into an even more successful movie.

Since then Dickey has labored to repeat past glories, but to little effect. He has published poetry, essays, self-interviews and one stupendously unreadable novel, "Alnilam," none of which has made much of a dent anywhere. Now, though, with "To the White Sea," Dickey and his publisher hope that the magic of "Deliverance" has been recaptured. Like that earlier novel, it is a story of survival achieved against great odds, and it is being sent into the marketplace with a thunderous promotional barrage.

All of which does not exactly add up to sound and fury signifying nothing, but the unhappy truth is that "To the White Sea" falls far short of the expectations raised by "Deliverance." It too is an adventure story, but whatever it achieves by way of adventure it fails to match in story. Various perils are met and disposed of, but the reader is never given much reason to connect with the person who undergoes them; the result is that although "To the White Sea" is earnest, it is also peculiarly remote, so the reader remains detached rather than engaged.

The story is set in the Far East in the closing months of World War II. Sergeant Muldrow is a gunner on an American bomber assigned to attack Tokyo; its mission is one of the last conventional sorties against that city before a huge firebombing raid of "white phosphorus and napalm." Muldrow's plane is hit and he is forced to bail out, directly over Tokyo. He is on his own, alone among the enemy.

But survival is a challenge for which Muldrow has spent his entire life in preparation. As a boy he lived in Alaska, alone with his father; he was raised as a creature of the wild and the cold. "Wherever it's cold enough," he says, "I can get along. Snow and wind are right for me. Dark weather is right. Nearly everything about the cold is good." So he pulls out his small compass, finds the north, and heads there — toward Hokkaido, toward "the ice, the water and the ice, the white sea."

First he has to get out of Tokyo. He kills a couple of people to get their clothes, then blends in with the crowd: like the Japanese he is short, and in the panic of aerial attack no one has either time or inclination to scrutinize this scurrying stranger. Every once in a while he has a risky encounter, but he escapes from each one, often with the help of the shiny, supple bread knife he carries strapped to his left leg. The farther he goes, the more engaged and confident he becomes:

"If I had to go back to the States or to the Territory, I wouldn't have any idea what to do. I was so much involved in what I was doing now, the interest of it, the possibilities: the way up to the north, the other big island the maps and the briefers told us was all mountains and snow, where there would be the kind of animals and birds I grew up with, the kind of cold that cleans out your insides like fire, where there's ice in the water and I could live like I was used to living, like I wanted to live. There ought to be places between me and the mountains and the snow fields where I could more or less pick the colors, and take them on, at least in some way. If I took my time — and I had plenty of it — I should be able to fit the color of some of my situations — hillsides, fields, woods — and tune to them: tune myself to them by color. Maybe this wouldn't always work, and maybe I wouldn't always be able to do it, but I planned to try. It was worth a lot. It might be worth everything."

Thus it goes as Muldrow presses on toward Hokkaido and the novel's denouement: a lot of breathily Hemingwayesque prose about action, but remarkably little actual action. When something does happen, the letdown is almost palpable: where the violence of "Deliverance" was genuinely horrifying, that of this novel borders on the perfunctory. Muldrow's passage to his white sea is meant to be a journey to understanding and self-awareness, but since so little happens along the way, and since the wayfarer is in all respects unengaging, at its end one is hard pressed to say anything more urgent than, "Who cares?"

Jonathan Yardley is on the staff of The Washington Post.

WHAT THEY'RE READING

● **Randall S. Jones**, OECD economist specializing in East Asian economies, is reading: "The Discoverers" by Daniel J. Boorstin.

"Economics is not a pure science, it depends on human behavior. Science can really prove things. The book is about how people gained control over nature."

(K. Niel Cukier, IHT)

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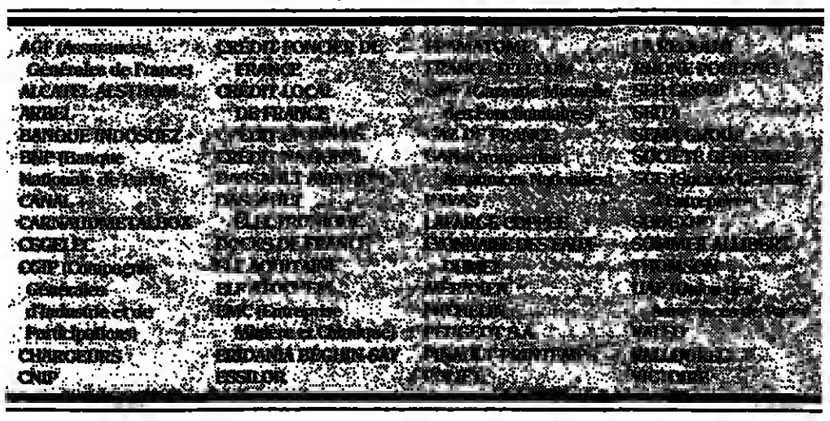

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OPINION

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An Open Door to Peace

It Could Be This Week

It could be this week. As soon as the Palestine Liberation Organization formally announces its recognition of Israel and abandonment of terrorism, Israeli and PLO leaders will fly to Washington and sign the deal on self-government for the West Bank and Gaza that they have already worked out.

With luck, other Arab countries may quickly follow suit, thereby completing a diplomatic revolution that burst only a few days ago on an unsuspecting public across the Middle East. Israeli politics is unlikely ever to be the same. And Palestinian politics could be just as sweepingly transformed.

It took courage, vision and finesse for the Israeli leadership around Prime Minister Yitzhak Rabin and Foreign Minister Shimon Peres, and the Palestinian inner circle around PLO Chairman Yasser Arafat, to come this far. It will require still more to translate a back-room agreement in Norway into real peace in the Middle East.

Israelis are being asked to trust the PLO, a group that long epitomized Arab vows to sweep Israel and its Jewish inhabitants into the sea. The PLO's charter stakes a claim to all of Palestine, from the Jordan to the Mediterranean, and rules out any territorial compromise. It calls the establishment of Israel "entirely illegal, regardless of the passage of time." And it proclaims that "armed struggle is the only way to liberate Palestine."

The Rabin government counters that today's PLO has evolved into a more realistic organization, that the present agreement is fortified with safeguards and that the opportunity for peace on favorable terms must be grasped. Israel does insist, however, that these bellicose elements of the charter be nullified, at first by an authoritative announcement and later by formal amendment.

Palestinians worry that establishing self-government in "Gaza and Jericho first" could mean establishing it in "Gaza and Jericho only." But even this initial agreement begins the process of transferring power throughout the West Bank. The Palestinians worry, too, about the territorial implications of Jewish settlements, and especially about Jerusalem. These difficult issues will be put off for later, after the experience of self-rule has had a chance to build mutual trust.

The fiercest opposition has come, predictably, from extremists on both sides. The potential for violence from these minorities cannot be discounted. But most Israelis and Palestinians, although wary, seem ready to give peace a chance.

Agreement on the Israeli-Palestinian front will put pressure on other Arab states to settle as well. Jordan seems poised to move as soon as the Palestinian deal is final.

For the first time since the Camp David agreements of 1978, the door is open to a historic Mideast peace. Once again, the breakthrough came not from Washington but from the region itself. Then it was Anwar Sadat of Egypt who courageously took the first step. This time it was Shimon Peres of Israel.

As with Camp David, Washington can usefully follow up, nurturing the delicate seeds of peace through diplomacy and coordinating the international aid effort required to make Palestinian self-government a success.

If this open door leads to real peace, George Bush and his secretary of state, James Baker, will deserve credit for creating the circumstances that made it possible. It now falls to Bill Clinton and Warren Christopher to help bring the long search for peace to a magnificent conclusion.

— THE NEW YORK TIMES.

Mutual Recognition

It becomes evident that a Gaza-Jericho accord, far from being a tentative opening gesture in a fledgling Arab-Israeli negotiating process, is in fact the likeliest first fruit of a long-sought comprehensive regional peace agreement. A dispute widely thought to be, if not insoluble, then requiring decades to be dismantled turns out to be melting with the pace at which one of its contributing causes, the Cold War itself, finally came undone.

Not that trouble-free progress and security can now be taken for granted. Too many hard attitudes and hard questions remain for that; the specific issues are genuinely wrenching. But a breakthrough has plainly been made by Israelis and Palestinians, the two intertwined peoples whose conflicting nationalisms fueled the larger Arab-Israeli dispute.

To reverse this process has required strenuous mutual political changes. Israel turned from a Likud policy of strength in pursuit of security and expansion to a more subtle Labor policy of toughness plus accommodation in pursuit of security and territorial compromise. Palestinians had to turn from a denial of Israel and an active commitment to its destruction to an acceptance of the Jewish state, this being the only way the battered Palestinian people could salvage at least some part of their wish for a state of their own.

On both sides the compromise has strong foes. In the essential process now of winning over or neutralizing the resisters, Israel has considerable advantage of long experience with a democratic tradition.

In other conditions, the draft Gaza-Jericho accord extending limited self-government to local Palestinians and providing for an Israeli military pullback would be at the center of attention. It provides a model and a test of coexistence that can be extended geographically and politically in the West Bank over the next few years. The special history of Israeli-Palestinian antagonism, however, requires that pride of place go to the agreement on mutual recognition that Israel and the PLO have been secretly negotiating.

With such an agreement, the basis on which the Middle East has repeatedly exploded into war drastically diminishes.

The few remaining states of the region with a rigid political hostility to Israel (Iraq) or a deep ideological hostility (Iran) are bound to become increasingly isolated. Syria's insistence on not leaving the Palestinians behind before making its own deal with Israel can now be met. Where Syria goes, so also Lebanon goes. Jordan has its own urgent reason to conciliate its Palestinian majority and join the parade.

The United States played its own part by establishing the broad political framework in which negotiations could proceed. And there will be continuing call for American steadiness. But if these pieces are put together, it will be by the vision and courage, and the desperation, of the parties.

— THE WASHINGTON POST.

Policing South Africa

Prayers, parades and a national moment of silence on Thursday attested movingly to South Africa's yearning for peace. President F. W. de Klerk spoke the right words on Peace Day: so did his former prisoner, Nelson Mandela, leader of the African National Congress. There are indeed "sinister forces and faceless murderers," in Mr. Mandela's words, using "senseless violence to prevent the advent of democracy."

But prayers alone cannot assure a successful transition as white rule yields to multiracial democracy in a breakthrough election now scheduled for April. As many as 10,000 people have been killed in the three years since Mr. Mandela was freed, an average of nine deaths a day. And South Africa's police, tainted by complicity with past apartheid regimes, seem unable or unwilling to contain violence in black townships.

On all sides, white and black, the politics of rage threaten the dream of a democratic rebirth. A white assassin in April claimed the life of Chris Hani, a black Communist who was able to speak reasonably to unreasoning militants. Peace Day was openly derided by neo-Nazi gangs clamoring for a whites-only homeland. Joining them in the boycott was the less radical Conservative Party, trolling for votes among defectors from Mr. de Klerk's National Party.

Racism begets racism. An American Fulbright scholar, Amy Elizabeth Biehl, was ambushed and killed last month by black youths shouting "One settler, one bullet." Her death was mindless, and morally indistinguishable from the fate of thousands of others singled out because of their skin color, ethnicity or political beliefs.

Yet it will not do to apportion blame evenly for this spiraling violence; the larger burden lies with Mr. de Klerk and his erstwhile black ally, the Inkatha Freedom Party leader Mangosuthu Buthelezi. Instead of supporting elections, Chief Buthelezi has boycotted multiparty talks on forming an interim government and predicted a civil war if the vote takes place, a signal taken all too literally by his predominantly Zulu followers in Natal townships.

When Mr. Mandela's African National Congress proposed forming a new national police force, Chief Buthelezi strenuously dissented. Yet the appalling death toll in townships argues the urgent need for a multiparty police force — a proposal supported by Mr. de Klerk and by a respected commission on violence. Archbishop Desmond Tutu would go further; he calls for an international corps of police officers, experienced in dealing with civil turmoil, to serve jointly with South African police, surely not an unthinkable idea.

Few dispute that South Africa's police force is undermanned and ill trained for contending with demonstrators: shamefully, the police simply stood by in June when white extremists invaded buildings where multiparty talks were taking place in Pretoria. And senior officers in security forces and the army have covertly encouraged urban violence.

President de Klerk has moved too slowly in establishing a new force, but he has at least accepted the need. However tardily, Chief Buthelezi did take part in Peace Day, and declared on television: "I believe the time has come to bury the hatchet. The violence in South Africa has become mindless." Let him now show that he means it by supporting police reforms and taking part in national elections.

— THE NEW YORK TIMES.

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Mideast: The New Momentum for Change

By Jim Hoagland

WASHINGTON — In the end, Shimon Peres and Yasser Arafat turned to each other because they had no place else to go. Their joint desperation leaves their joint draft political accord vulnerable to potshotting from all sides. But the agreement sets in motion an Israeli-Palestinian chain reaction that offers hope for an end to nearly 100 years of civil war in the Holy Land.

This is a moment to dwell on effects rather than causes. The words that Palestinians and Israelis have been speaking to and about each other in secret for months and in public for a week take on their own meaning and momentum now that they have been loosed. In this moment, two bitter adversaries are examining and adjusting core beliefs about human nature and its potential for change. They are not just trying out diplomatic formulas for tactical advantage.

'We must reorganize everything and re-examine all roots . . .'

Ending the war with the Palestinians would in a sense be the final act of the Holocaust, which gave rise to the modern state of Israel. The real and understandable fears of the Jewish people of being history's victims cannot be stilled until the Arab world's political leaders and the Palestinian people have formally and substantively abandoned all ambitions of destroying the state of Israel.

Mr. Peres seems to have drawn Mr. Arafat toward that goal, without giving up anything essential to Israeli security. To get there, the Israeli foreign minister turned the Washington negotiating process upside down. That result probably does not disturb Mr. Peres, since the process was outside his control in any event.

Israel and the United States hoped that the negotiations would develop the West Bank Palestinians into "the real address," or alternative leadership, for Arab money and support now denied to Mr. Arafat's Palestine Liberation Organization. But throughout 22 months of talk, the Palestinian delegation failed to establish any true autonomy from the PLO. The West Bankers repeatedly professed their inability and unwillingness to manage the leveraged takeover of the PLO that was envisioned.

This left an opening for Mr. Peres, who had been walled off from any significant role in the peace negotiations or Israeli diplomacy by Prime Minister Yitzhak Rabin. Mr. Peres turned to secret contacts with the PLO in Oslo as an alternative to the Washington talks. He dragged Mr. Rabin, and the Clinton administration, along once he could show that Mr. Arafat was finally ready to accept the interim arrangements that had been on offer to the Palestinians since the 1979 Camp David peace treaty.

Drowning in a sea of financial and political turmoil caused by his disastrous support for Iraq's Saddam Hussein in the Gulf War, Mr. Arafat grasped at the lifeline tossed in his direction by Mr. Peres. While he attempts to disguise it in his flamboyant rhetoric in Tunis, the PLO chairman accepted in Oslo that his organization will play the role of enforcer of any potential Israeli-Palestinian peace on the West Bank and in the Gaza Strip.

"Gaza and Jericho first" means that the PLO must establish order by ending the intifada in Gaza and Jericho as a precondition for further Israeli withdrawal. The PLO must also convert itself into a normal political party in these two areas while they remain under Israeli physical control. The PLO will not take control of Gaza and Jericho as a national liberation movement empowered morally and physically to create a state in its image.

Just as the "Gaza and Jericho first" plan represents an opportunity to end an Israeli nightmare rooted in the Holocaust and five Arab-Israeli wars, it brings an end to a Palestinian dream of reconstructing pre-1947 Palestine under PLO control. Even if PLO hard-liners ultimately torpedo the accord, Mr. Arafat's tentative acceptance forces a sea change in Palestinian psychology and goals.

Mr. Peres rescued a drowning Arafat believing that the PLO chairman could be useful to him and to Israel in the changed environment that the end of the Cold War has brought to the Middle East. This is the sea change for Israel, which has long worked to eradicate Palestinian political leadership to ensure that no deal could be made.

Mr. Peres explained to me his vision of the new Middle East, in which Arabs and Israelis must cooperate against common threats ranging from political extremism to the creeping desertification of their lands, last February during a visit to Washington: "We saw in the Gulf War that missiles and nonconventional warheads make a national defense alone impossible. We must have a regional defense and a political approach" to the Arab-Israeli conflict. "We must reorganize everything and re-examine all roots ... Maybe Arab dictators don't change, but they no longer have Russian support or the opportunities they once had."

This was about the same time that he was entering serious talks with the PLO in Oslo, about which, of course, he said not a word to me — nor, apparently, to his prime minister.

For once, Peres the visionary worked hand in glove with Peres the Machiavellian deal-maker. Whatever comes next, he has broken taboos that needed to be destroyed for an Israeli-Palestinian peace to have a chance.

The Washington Post.

Beware a Mortal Threat to the Security of Israel

By Benjamin Netanyahu

The writer leads Israel's Likud Party.

JERUSALEM — A seductive promise of a quick and easy peace is a potent anesthetic to dull the senses of an embattled people. All Israelis yearn for peace.

Most would support the Camp David arrangement in which Israel maintains control of the strategic area of the West Bank while the Arabs conduct their own affairs in such matters as health, education and commerce in their towns and villages. This would give Israel security and Palestinians "autonomy." It is supposedly what the Rabin-Arafat deal proposes.

Unhappily, it does not. Under the guise of the term "autonomy," which most Israelis accept, the Israeli government has struck a deal leading to the creation of a Palestine Liberation Organization state on Israel's fragile pre-1967 borders — something that the vast majority of Israelis reject.

We are told that this is a limited deal involving "Gaza and Jericho first." But the emphasis is on "first." Within nine months, Israel is to withdraw from all West Bank cities. Soon after, it will transfer to the PLO all remaining land save Jerusalem and the settlements (roughly 5 percent of the territory), although it is obvious that these Israeli islands, isolated in a PLO sea, will not last long.

The plan thus effectively establishes PLO control over all the territory up to the pre-1967 border — 10 miles (16 kilometers) from Tel Aviv and two miles from Jerusalem.

But surely Israel will control security in the vacated areas? Wrong.

According to the deal, the Israeli army will be responsible for "external" security (meaning the defense of Israel's borders), while the PLO will take over "internal" security in all the areas under its control.

What will happen when terrorists attack Israelis in Jerusalem and return to nearby PLO land? Or fire rockets from hills above Tel Aviv? The Israeli army will have no right to enter the territory and root them out. This, believe it or not, is the "internal" responsibility of Yasser Arafat.

The Christian Science Monitor, Los Angeles Times Syndicate.

Astonishingly, this bizarre proposal that would result in Lebanese-style terror havens alongside Israel's cities was negotiated without carefully consulting Israel's military command. Deputy Chief of Staff Amnon Shahak was first shown the plan only minutes before it was brought to the cabinet for approval. Chief of Staff Ehud Barak confesses that it poses "grave security problems" for Israel.

But the greatest danger inherent in the Rabin-Arafat plan to the survival of Israel is not terrorism but a new, full-fledged war that could be launched from the PLO domain once it is formally recognized as a new Arab state.

Indeed, the foundations of such a state have been laid by Israel's consent to cede the land and all legislative authority within it to the PLO. As Yasser Arafat said on Thursday, "the Palestinian state is at hand and the Palestinian flag will soon fly over Jerusalem."

This is a mortal threat to Israel. A PLO state on the West Bank will strip the Jewish state of the critical defensive wall of the Judean and Samarian mountains won in the 1967 Six Day War, recreating a country 10 miles wide, open to eastern invasion.

This has been the PLO's goal since June 1974, when it adopted the notorious "Phased Plan" to eliminate Israel in two stages. Article 2 calls for creating a Palestinian state on any territory vacated by Israel; Article 8 calls for using that state to foment an allied Arab assault against a truncated Jewish state. For two decades Yasser Arafat has championed this plan. Last Wednesday he told Arab critics of his deal with Yitzhak Rabin: "This is the Phased Plan we all adopted in 1974. Why should you oppose it now?"

That some Arabs oppose the Phased Plan is a godsend to Yasser Arafat. It lets him appear as "moderate" in contrast to "extremists" such as the Hamas fundamentalists. But the PLO representative to Saudi Arabia, Rafiq Natshe, recently explained: "Hamas wants to liberate all of Palestine from the Jordan River to the sea in one blow. The PLO believes that a Phased Plan must be pursued. But both sides agree on the final objective. They differ only on the way to get there."

Earlier in this century, Neville Chamberlain thought he could buy "peace in our time" by handing over the mountain defenses of Czechoslovakia to Hitler, who promised to accept a deal of "land for peace." On his deathbed, Chamberlain said, "Everything would have been all right if Hitler hadn't lied to me."

The Rabin government is now betting the security of Israel on Yasser Arafat's promises. But his promises are worthless. He has violated every political commitment he has ever made.

Since his "breakthrough" promise in 1988 to stop PLO terror, his own Fatah faction of the PLO has launched more terrorist attacks against Israel than any other Palestinian group. Similarly, he repeatedly "recognizes" Israel for some political gain — only to take it back later.

An armed PLO state looming over Israel's cities and overflowing with returning "refugees" (a million to start with, says the PLO) is a far cry from a responsible compromise that would give Israel security and Arabs autonomy. Instead of giving peace a chance, it is a guarantee of increased tension, future terrorism and, ultimately, war.

The New York Times.

Beyond Rivers of Blood and an Abyss of Suffering

By Amos Oz

JERUSALEM — The Israeli-Arab war has been going on now for almost three generations. It began with sporadic attacks by Arabs on Jews returning to their homeland. Later it escalated into a vicious circle of belligerence, extending from Iran to North Africa. Tens of thousands of Israelis and more than 100,000 Arabs have been killed and maimed.

In the beginning, it was no more than a feud between neighbors, involving knives and handguns. Eventually it deteriorated into a war of tanks and planes and ballistic missiles. During the Gulf War, the means of mass destruction verged on apocalyptic. At the same time, it again became a battle of knives and stones.

It may be that in the future, people will regard 1993 as the end of our 100 years of solitude in the land of Israel.

Hate-filled fanatics have always attempted to turn this conflict into a religious war, a race war, a war between every Jew and every Arab, as are the wars in Ireland and Bosnia. But the conflict between ourselves and the Palestinians is not a holy war but essentially a battle of two peoples, both of whom regard this country as their one and only homeland; a tragic clash between right and right.

For decades now we proposed to the Arabs one compromise after another, including compromises that were much harder for us than the one now being negotiated. But the enemy rejected any compromise and persistently demanded that the Jews dismember their state and go away. This was a blunt, cruel attitude that we and they paid for in rivers of blood and an abyss of suffering.

The Israeli victory in the 1967 war was followed by some euphoric years, during which Israeli governments refused to recognize the very existence of a Palestinian people, expecting the Palestinians to forget their national identity and to surrender every bit of the land to our domination. This policy was both immoral and unrealistic.

And now we have all reached a crossroads: The two peoples are finally about to come to terms with the simple fact that they are two peoples and that, for both of them, the country is their homeland. We and they, along with most of the Arab world, are ready to consider a partition of the land between its peoples.

What partition and under what conditions? This question still involves a complex process of bargaining about who gets what and how much and under what terms, and how to ensure Israel's peace and security after the Israel occupation of the West Bank and the Gaza Strip ends.

All this must be clarified around the negotiating table and calls for wisdom, patience and vision. Clearly, the Palestinians are going to get parts of the land, whereas we get documents and promises. It is therefore crucial that a time element is included to make sure that the Arab peace check does not bounce.

Between the agreement and the completion of the Israeli withdrawal, some years will have to elapse. In the meantime, we will have to hold on to certain positions that will enable us to cancel the deal in case the Palestinians are unwilling or unable to deliver their part of the bargain.

In 1947, the United Nations General Assembly resolved to partition the land between its two peoples along geographic lines that today no Israeli would accept and no reasonable Palestinian would claim. That resolution provided the legal foundation for the establishment of Israel. Palestine did not come into being in 1947. This was in part because regular Arab armies from neighboring countries occupied territories designated for a Palestinian state.

Now, at long last, the Palestinians will compromise on much less than they could have received with peace and honor 45 years, five wars and tens of thousands of dead ago — our dead and theirs.

Israel is now going back to what for decades used to be a mainstream Zionist attitude: It is once again willing to make an ethical, realistic compromise based upon the recognition of the Palestinians' right to a homeland. Recognition for recognition, security for security and good neighborliness for good neighborliness.

What if they cheat? And what if they take whatever we give them and demand more, still exercising violence and terror? Within the present proposed settlement, Israel will still be in a position to close in on Palestine and to undo the deal.

If worse comes to worst, if it turns out that the peace is no peace, it will always be militarily easier for Israel to break the backbone of a tiny, demilitarized Palestinian entity than to go on and on breaking the backbones of 8-year-old, stone-throwing Palestinian kids. Israeli doves, more than other Israelis, must assume, once peace comes, a clear-cut "hawkish" attitude concerning the duty of the future Palestinian regime to live precisely by the letter and spirit of its own agreements.

The plan now being negotiated — Gaza and Jericho first — is a sober and reasonable option. If the Palestinians want to hold on to Gaza and Jericho, eventually assuming power in other parts of the occupied territories, they will have to prove to us, to themselves and to the world that they have indeed abandoned the ways of violence and terror, that they are capable of suppressing their own fanatics, that they are renouncing the destructive Palestinian charter and withdrawing from what they used to call "the right of return."

They will also have to show that they are willing to tolerate in their midst a minority of Israelis who may choose to live where there will be no Israeli government.

Israel, for its part, will have to deliver on the initial Zionist promise: to become a source of blessing to its neighbors, to help itself and them in breaking the vicious circle of suffering, despair and poverty and to embark on the road to prosperity.

The tragic clash between right and right in the Middle East may be nearing its end. Yasser Arafat and Yitzhak Rabin, Shimon Peres and Faisal Husseini will hear from some of their compatriots the word "traitor." May they wear this title as a decoration for their vision and courage. Winston Churchill, Charles de Gaulle, David Ben Gurion and Anwar Sadat also belonged to this honorable club.

We must remember that the Israeli opponents are not just demagogues and warmongers. Most of them are genuinely afraid that the sky is about to fall on them and that their homes and their country are in mortal danger. We have to treat their feelings with understanding and respect, as long as these feelings are manifested in lawful ways.

From a Zionist perspective, it may be that in the future, people will regard 1993 as the end of our 100 years of solitude in the land of Israel. This may be the end of the prologue for Zionism and now, perhaps, it is time to begin the Israeli story proper: to consolidate Israel as a safe, stable, legitimate home for the Jewish people and its Arab citizens, a focus of creative energies and a source of blessing for Israel's neighbors — including the Palestinians.

The writer, a novelist, is a founder of Israel's Peace Now movement. This comment, which first appeared in Hebrew in Yedioth Ahronoth, was adopted by The New York Times.

The Future Belongs To Asians

By Kishore Mahbubani

SINGAPORE — We are coming to the end of a 500-year cycle of global domination by Western civilization. With the arrival of the 21st century, we will probably move into the period of greatest change in the history of man.

Until the 15th or 16th centuries, the West was basically confined to the European continent. Then the Portuguese, a tiny insignificant people today, went around the world, establishing colonies in South America, Africa and Asia. They were followed by the Dutch, the French and finally the British, who established the most far-flung empire ever seen.

As a consequence of this global explosion, the West has left its traces in almost every corner of the world. The residues of Western influence remain despite the end of colonialism. Contemporary South American culture and civilization have European roots. The political boundaries of Africa today were drawn by Europeans. Australia, New Zealand, Canada and the United States are the descendants of Anglo-Saxon civilization.

Virtually all of Asia, with the exception of Thailand, was either colonized or invaded by Western powers. Even Japan, the most successful Asian society so far, aspires mainly to be a member of the Western club. This global impact is no mean feat. In retrospect, it is amazing that the few hundred million people living in Europe could touch billions of lives.

But Europe has finally become tired. The sheer effort of maintaining global empires and influence has exhausted the continent. Nothing demonstrates this more vividly than the inability of Europe to put out a fire burning on its own doorstep, the fire in Bosnia. The tragedy of Bosnia is not only about Serbs, Croats and Bosnian Muslims. It is fundamentally about the curtain falling on the greatest act of history.

As this curtain falls, a new drama will emerge. It would be foolish for me to pretend that I know what is coming, but there are a few clues. The first is that instead of the end of history, we will see the return of history.

A clear signal of the foolishness that had engulfed many in the West following the collapse of communism in Europe, the breakup of the Soviet Union and the end of the Cold War was their infatuation with an essay which suggested that history was ending with the triumph of the Western idea. Instead we will see the retreat of the Western idea, as old and rich civilizations elsewhere regain their self-confidence to discover their own roots. They will not shake off all that the West has given them, but they will learn to be selective in keeping Western ideas.

Many young Asians will be excited at the prospect of living through a period of enormous historical change. But they should be prepared for a certain confusion. I was born in 1948 in Singapore, then a British colony. When I was in primary school, we were taken by bus to Government House to wave a British flag, sing "God Save the Queen" and welcome the British governor-general to Singapore. One of my school classmates told me then that when he grew up he wanted to go to London. I asked why. He replied, "Because the streets there must have gold."

Looking at London today, it seems strange that a young boy in the 1950s could harbor such beliefs. But as London's fortunes ebbed, another city rose to take its place: Washington. When I was posted there as a diplomat in 1982, I went with a clear sense that I was going to the Rome of the 20th century. And it was. Every major global decision had to be examined or ratified in Washington (together with the lesser Rome of that time, Moscow). But at the rate things are moving today it is doubtful that Washington will be the Rome of the 21st century.

One practical consequence of this turn in the cycle of history is that Asians may have to change some of the mental maps they inherited from their student textbooks and from newspapers and television. They should banish the thought that answers to critical global questions can be found only in New York, London or Paris. In future, those answers are equally likely to be found in Shanghai, Tokyo, Jakarta, Bombay or perhaps even Singapore.

The writer is deputy secretary in Singapore's Ministry of Foreign Affairs and a former ambassador to the United Nations. This personal comment has been adapted by the International Herald Tribune from an address at the National University of Singapore.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1893: Vive le Président

PARIS — "You see, for a dead man, I am not doing too badly." Such was President Carnot's greeting to his Ministers at Fontainebleau yesterday [Sept. 5]. Paris has been thrown into considerable excitement yesterday morning by the news that the President of the Republic was dead. The report had spread like Greek fire, and strangely enough, found general credence, despite the knowledge that the day before M. Carnot had been in sufficiently good health to take a walk in the Forest of Fontainebleau.

1918: Fêting Lafayette

PARIS — America will celebrate today [Sept. 6] the birth of Lafayette and the battle of the Marne. A message will be read from President Poincaré: "The French people are very much touched and very grateful for the warm cordiality with which the United States is honoring the double souvenir of the birth of Lafayette and the victory of the Marne. If America has not forgotten the Frenchmen who experienced the joy and pride of fighting for her at the dawn of her independence, how could France forget the marvellous aid which so many valiant American soldiers are bringing today?"

1943: Stalin and Church

MOSCOW — [From our New York edition:] Acting Patriarch Sergei, of the Russian Orthodox Church, called today [Sept. 5] for military help. From a conference of church leaders with Josef Stalin, at which the Soviet Premier gave approval to complete restoration of the church, he said: "It seems that the time for complete annihilation of Hitler has arrived. If the Red Army alone was able to force back the Germans, it is not difficult to predict how speedily the war will terminate when our troops receive some real help from the Allies. I refuse to believe the mothers of English and American soldiers want this to drag on."

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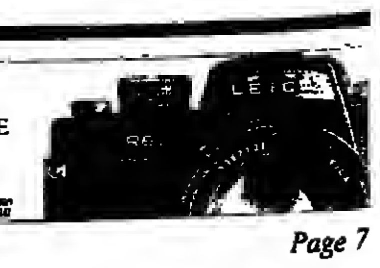


CAPITAL MARKETS

Financial Asset Inflation Isn't Going to Last Forever

By Carl Gewirtz
International Herald Tribune

PARIS — A torrent of cash is pouring into bond markets around the world. As returns in the major markets fall — down 1.35 percentage points or 135 basis points in the United States since the start of the year to 5.4 percent and down 47 basis points to 4.2 percent in Japan — money flows to what previously were perceived to be risky markets in both bonds and equities, where returns are more attractive.

Yields on Italian bonds are still 9.5 percent, but that's down 395 basis points since the start of the year. Spanish yields at 8.9 percent are down 355 basis points. Even in Belgium, where the bond market is under attack, yields are 44 basis points below levels at the end of 1992.

Stock prices are also up smartly, even in Continental Europe, where it is not yet clear the recession has bottomed.

The Fed's excessive looseness will come home to roost in a couple of years.

"Yes, we are experiencing an inflation in the price of financial assets," said Albert Wojnilower, senior advisor at First Boston Investment Management. "The United States is running an easy monetary policy as expressed in low interest rates, which has been affecting many financial asset prices," he said, and not only in the United States.

"I'd guess the capital outflow from the United States has probably overinflated asset prices in Europe and Japan as well," he said.

The problem lies with the Federal Reserve Board, he explained. It was too late in recognizing the onset of the economic slowdown and too timid in dealing with it.

"The Fed's unwillingness to ease dramatically two years ago kept monetary policy too tight for too long. And it's now condemned to be too easy for too long," Mr. Wojnilower said. "The commendable effort to reduce the U.S. budget deficit also means that the excessive provision of liquidity by the Fed will have to continue for even longer."

There will be a price to pay for this excess, he warned, although be added that the payback is still some time away.

"It will result in cyclically faster inflation six to nine months after the economy starts to expand sometime in the next six to 12 months," be said. In other words, possibly 21 months from now be sees the underlying rate of U.S. inflation up at around 5.5 percent from the current level of just below 3 percent.

It will take that long for the inflation to show up in what he calls the real economy because the weakness in the banking and real estate markets has weakened the transmission process, Mr. Wojnilower said.

He predicted the Fed would respond with a rapid rise in short-term interest rates and predicted a crash in stock prices that likely would be more severe outside the United States "because foreign markets are probably even more overvalued than the U.S. market.

"But this isn't going to happen this year and probably not even in 1994," he said. He added quickly, that there was no reason to expect

See RATES, Page 9

Tokyo-EC Car Pact Is Market-Driven

By Steven Brull
International Herald Tribune

TOKYO — Japan's agreement to reduce its export ceiling of cars to the European Community pleased negotiators from Brussels, but it is far from clear that it will make much difference to struggling European and Japanese automakers.

After talks that stretched around the clock until late Saturday morning, Tokyo agreed to limit its exports of cars and light trucks to the community to 980,000 units in 1993. The new ceiling is 18.5 percent lower than the 1992 level, and sharply below the 9.4 percent cut that had been agreed in April.

While the negotiators for the EC Commission succeeded in pushing the quota below the 1.0 million mark Tokyo had hoped to defend, analysts said the result may prove irrelevant in a market where demand has plummeted for Japanese cars made more expensive by the surging yen.

"Essentially, it's a fait accompli," said Stephen Usher, general manager of research at Kleinwort Benson International in Tokyo. "The politicians are just following what's already happened."

After falling an average 12 percent in the first six months of the year, sales of Japanese cars in the Community crashed 32.2 percent in July as the yen appreciated against the Deutsche mark and other European currencies, making Japanese imports more expensive. So, analysts said, Japanese carmakers were unlikely to sell more than 1.0 million units this year anyhow.

Still, Tokyo's willingness to sharply curtail its exports while the Japanese auto industry suffers from slack demand in all its major markets, reflects growing pressure on a government besieged by its key trading partners.

Peter Boardman, an analyst at UBS Philips & Drew, said demands from Brussels had intensified because of the restructuring of the European auto industry and the yawning Japan-EC trade imbalance. "The Japanese are much more receptive than four months ago," he said.

Although the agreed cutback of Japanese exports for 1993 may only reflect realities of the marketplace, the lower figure could make it more difficult for Tokyo to raise the ceiling next year should demand increase sharply. "The Japanese are worried about being shut out of any recovery," Mr. Boardman added.

Tokyo's willingness to radically adjust the export ceiling at mid-year to reflect changes in demand could also increase calls from Washington for similar treatment. Japan now imposes an annual cap of 1.65 million cars on exports to the United States.

Yutaka Kume, chairman of the Japan Automobile Manufacturers Association, said the new ceiling will have a severe effect on the

See CARS, Page 10

U.S. Automakers Learn European Ways

By Brandon Mitchener
International Herald Tribune

FRANKFURT — Losing money and suffering from sluggish sales worldwide, it is no secret that most of the world's leading automakers have made cutting costs and boosting productivity their top priorities for the 1990s.

But with an eye on increasingly global markets, a growing number of manufacturers are also starting to modify their entire approach in designing and marketing cars. European carmakers are fighting to regain lost territory in the all-important U.S. market, while American carmakers are campaigning to make inroads into Europe and Asia.

Germany's Mercedes-Benz AG provides one of the most dramatic examples. In addition to considering layoffs for the first time in its corporate history, Mercedes recently announced plans to make a multi-purpose, recreational vehicle for the United States and a tiny town car for Europe. Both decisions represent eye-popping departures from the company's traditional focus on large luxury cars.

The new formula emphasizes timing as much as technology as competitors race to pass one another on the learning curve. In a surprising reversal, in both the United States and Europe, American companies seem to be winning the race.

"Our business is running counter to the crisis," said Fritz

See IMPORTS, Page 10

China Assails U.S. Threats On Textiles

By Patrick E. Tyler
New York Times Service

BEIJING — Chinese officials denounced on Sunday a U.S. threat to substantially reduce quotas for Chinese textiles entering the American market because of alleged unfair exporting practices.

Jennifer Hillman, chief textile negotiator for the Office of the United States Trade Representative, said action might be taken if a trade agreement was not reached to replace one expiring at the end of the year.

She also warned that if the United States was confronted with unabated quota cheating by Chinese using Hong Kong, Taiwan or other ports to hide the origin of their goods, Washington could reduce China's overall quota by three times the value of illicit shipments.

"The Chinese government resolutely opposes the U.S. action to unilaterally reduce quotas for China without consultation with the Chinese side and without presenting clear evidence," said Shi Guangsheng, vice minister of China's Ministry of Trade and Economic Cooperation, in a statement carried by the Xinhua news agency.

Last year, China exported about $6 billion in textiles to the U.S. market, of which $4.57 billion were allowed under a 1988 agreement. Ms. Hillman estimated that about $2 billion in Chinese textiles reach the U.S. market by passing through one or more of 40 countries or territories where transshippers can obscure the country of origin.

Talks between the two countries have failed to make progress toward a new agreement that could cut an estimated $2 billion in Chinese exports to the United States.

[Separately, China moved over the weekend to roll back promised price liberalization, capping prices across the board until the end of the year and issuing orders to crack down on speculators, the People's Daily reported Sunday, according to a dispatch from United Press International in Beijing.

[A 12-point edict promised regulations to ward off price gougers and dumpers and said all local and central government departments must create realistic price-control policies for their areas.]

Jury Decides Texaco Owes $404 Million

Reuters

WHITE PLAINS, New York — Texaco Inc. said on Sunday that a jury in Utah handed down a verdict that would require the oil producer to pay $154 million in compensation and $250 million in punitive damages to Gold Standard Inc., a mining company.

Texaco said it would challenge the verdict offered at the Third Judicial District Court in Tooele County, Utah. The verdict was connected to a suit brought by Gold Standard

Getty Oil, prior to its acquisition by Texaco in 1984, and Gold Standard were in a joint venture at the Mercur gold mine and milling complex in Tooele and Utah counties, Texaco said.

Texaco said it sold Getty's stake in the entire venture as well as Gold Standard's in 1985, and Gold Standard sued.

Getty held 75 percent interest in the venture and controlled Gold Standard's interest since the late 1970s until the sale of the venture, a Texaco spokesman said.

Gold Standard was claiming that Texaco did not have a right to sell Standard's 25 percent of the mine, the Texaco spokesman said.

In April, American Barrick Resources Corp., which bought the mine, said its Barrick Resources (USA) Inc. subsidiary would pay $4.7 million to Gold Standard.

In that action, Gold Standard claimed the mine was worth $250 million.

After the Hurricane, U.S. Insurers Reap Whirlwind

By Floyd Norris
New York Times Service

NEW YORK — Insurance companies paid out a lot of money last year for damages from the hurricane designated Andrew. But it turns out they did not completely admit to their losses, thanks to an accounting gambit that is breathtaking in its audacity.

For those who think accounting regulators are always asleep at the switch, it is reassuring to know that this trick was caught rather early, and a rule has been issued. As a result, said James Leisenring, vice chairman of the Financial Accounting Standards Board, "in the third quarter, a whole bunch of insurance companies are going to have to take big hits."

The reductions in earnings might total $1 billion, accountants say, without specifying which insurers will suffer most. If they are right, some Wall Street analysts will be stunned.

Cut through the verbiage, and it amounts to this: The insurance companies signed what they said were "reinsurance" contracts for catastrophe coverage. But the reinsurance companies took little if any risk. They paid the hurricane claims, but the original insurer agreed to reimburse those losses, over time and with interest. It amounted to loans.

But the insurers, when they added up their losses, did not treat them as loans. Instead, they figured that if they had spread the payments over five years or more, they could take the losses over the same period. As if by magic, they reduced their losses and made their balance sheets look prettier.

But somebody tipped off the Securities and Exchange Commission, which got the accounting regulators on the case. In the end, the decision was made by a group called the Emerging Issues Task Force, on which the Big Six accounting firms were among those voting to force the change.

As a result, companies that used this little gimmick will either have to restate their 1992 results or take big write-offs in the third quarter of this year.

Brussels Notebook

Below Its Surface, Farm Deal Looks Even Worse

European Community officials have to persuade member states to back the EC farm deal with the United States over the next two weeks to avoid a breakdown of global trade negotiations, and it will not be an easy sell.

France is blocking implementation of the deal signed at Blair House in Washington largely because it would require a 21 percent cut in subsidized agricultural exports over six years, compared with average exports in the base period of 1986 to 1988. But the actual cuts that the pact will require are much steeper because EC subsidies have ballooned since the base period, according to U.S. government figures.

In the first year under Blair House, for example, Washington estimates the EC would have to slash subsidized wheat exports by 39 percent, rice by 50 percent, beef by 36 percent and poultry by 39 percent.

Those looming cuts explain why France is seeking to have the 21 percent reduction be applied in aggregate to all farm exports, rather than to each product category. But U.S. officials said they would not accept that sort of reinterpretation.

Adding to the unpopularity of Blair House is the impact of Europe's currency crises on farmers in France and Germany. EC subsidies are determined in European currency units, and as both the franc and the mark have risen against the Ecu since the monetary turmoil first began in September 1992, French and German farmers have seen their support payments sliced by about 3 percent and 4 percent, respectively.

One EC official said the Community would likely allow the French and German governments to give fresh income supports to their farmers to compensate for the cuts they are facing, but that Blair House could not be renegotiated. "There is simply no alternative," the official said.

Where's the Pork?

As if the Community's special October summit meeting did not have enough difficult issues to settle, Foreign Minister Willy Claes of Belgium has added a previously taboo subject: institutional arrangements for an enlarged Community.

The meeting of EC leaders, scheduled for Oct. 29 in Brussels if Germany gives its assent to the Maastricht treaty, has been called to decide the home and president of the European Monetary Institute, the forerunner of a European central bank.

Despite the widespread belief that the bank will be placed in Frankfurt, the leaders have failed to settle the issue at three previous meetings. Mr. Claes is seeking support for a package that would include other new agencies such as an environmental office and police agency.

Central Banker Fries Franc

The Belgian government faces urgent pressure this week to accelerate the rewriting of its post-war social pact between business, labor and government if it is to avoid a devaluation of the franc.

Prime Minister Jean-Luc Dehaene has promised to deliver reforms in the pact's rules for indexing wages to inflation and financing social security, following a report by a panel led by Alfons Verplaetse, the central bank governor.

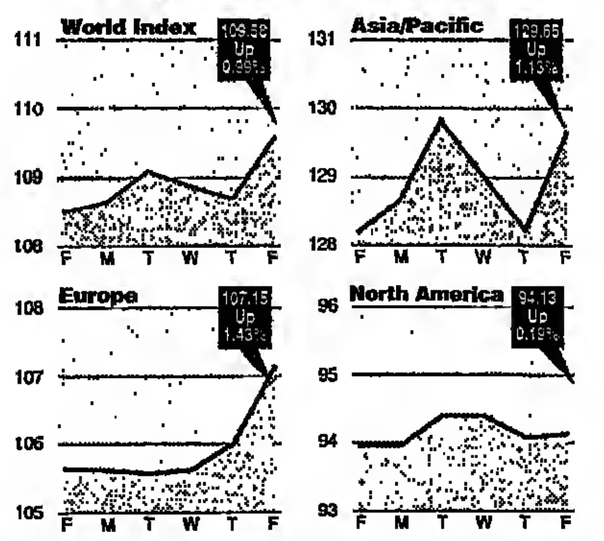
But Mr. Verplaetse undercut his own currency last week by saying the franc's stability depended on the reforms. The comments focused market attention on Belgium's soaring debt burden and the threat that indexation will boost inflation. Despite a one-point hike in interest rates Thursday, the franc ended the week at 21.72 to the Deutsche mark, more than 5 percent below its central parity.

The government and Mr. Verplaetse have resisted calls to let the franc slip in its new 15 percent trading margin and cut short-term interest rates, arguing that such a turn would only drive up long-term rates. But the market moves are making that policy less and less credible.

Tom Buerkle

THE TRIB INDEX

International Herald Tribune World Stock Index, composed of 230 internationally investable stocks from 20 countries, compiled by Bloomberg Business News.
Week ending September 3, daily closings. Jan. 1992 = 100.



Industrial Sectors/Weekend close

	9/3/93 close	8/27/93 close	% change		9/3/93 close	8/27/93 close	% change
Energy	107.32	107.74	−0.39	Capital Goods	104.70	103.51	+1.15
Utilities	114.86	114.54	+0.28	Raw Materials	107.12	106.83	+0.27
Finance	121.16	119.67	+1.25	Consumer Goods	91.37	89.87	+1.67
Services	117.92	117.23	+0.59	Miscellaneous	110.47	109.26	+1.11

The index tracks U.S. dollar values of stocks in: Tokyo, New York, London, *and* Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden and Switzerland. *In the case of Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization. In the remaining 17 countries, the ten top stocks are tracked.*

CURRENCY RATES

Cross Rates Sept. 3

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.828	2.7815	1.1234	0.3184	0.1154 *	—	5.165 *	1.277	1.7264 *	1.376	1.3729 *
Brussels	35.70	53.18	21.55	6.1395	2.2495 *	19.19	—	24.4075	0.3367	26.995	26.52 *
Frankfurt	1.6476	2.471	—	0.2884	0.1031 *	0.8901	4.627 *	1.139	1.559 *	1.3452	1.218 *
London (a)	1.5257	—	2.4771	8.7331	2,471.265	2.7807	53.0975	2.1796	160.28	2.007	202.55
Madrid	134.826	202.534	81.911	23.234	8.444 *	72.91	3.7886	93.241	127.676 *	102.002	—
Milan	1,597.08	2,376.15	971.58	276.15	—	864.90	45.07	1,108.03	15.145	1,209.45	11.851
New York (b)	—	1.53 a	1.616	5.4925	1,583.08	1.815	35.28	1.4204	104.58	1.326	132.18
Paris	5.7985	8.6485	3.5179	—	0.3627 *	3.1314	0.1627	4.0845	5.4824 *	4.3722	4.3955 *
Tokyo	105.65	158.63	64.17	18.24	0.661	57.18	2.9845	72.94	—	79.80	0.7879
Toronto	1.3281	2.0332	0.8208	0.2333	0.0837 *	0.7315	0.3777 *	0.9341	1.269 *	—	1.005 *
Zurich	1.4485	2.1842	0.8797	0.249	0.0902 *	0.7828	4.0478 *	—	1.3611 *	1.0827	1.0759 *
1 ECU	1.1582	0.771	1.9063	6.7062	1,849.27	2.1416	41.2152	1.6747	122.299	1.5338	156.117
1 SDR	1.4082	0.9387	2.3201	8.1541	N.Q.	2.604	50.0647	2.0374	148.775	1.8656	188.824

Closings in Amsterdam, London, New York and Zurich, fixings in other centers; Toronto rates at 3 p.m.
*a: To buy one pound; b: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9901	Hong Kong $	7.7485	N. Zealand $	1.8335	S. Kor. won	807.70
Austral. $	1.5451	Hung. forint	92.36	Norw. krone	7.192	Swed. krona	8.1149
Austr. schil.	11.587	Indian rupee	31.32	Phil. peso	28.01	Taiwan $	26.96
Brazil cruz.	93.09	Indo. rupiah	2102.52	Polish zloty	18829	Thai baht	25.14
Chinese yuan	5.7703	Irish £	0.7116	Port. escudo	169.89	Turkish lira	11713.
Danish krone	6.796	Israeli shek.	2.8081	Russ. ruble	990.00	UAE dirham	3.672
Egypt. pound	3.3405	Kuwaiti dinar	0.3011	Saudi riyal	3.7495	Venez. boliv.	95.30
Fin. markka	5.8694	Malay. ring.	2.5497	Sing. $	1.606		
Greek drac.	233.00	Mex. peso	3.1135	S. Afr. rand	3.3932		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.4990	1.4954	1.4922	Canadian dollar	1.3257	1.3274	1.3295
Deutsche mark	1.6521	1.6570	1.6612	Japanese yen	105.87	105.92	105.97
Swiss franc	1.4464	1.4483	1.4501				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Agence France Presse (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from Reuters and AP.

Martin Marietta Reviews Mishaps

By John Mintz
Washington Post Service

WASHINGTON — Martin Marietta Corp., which in one three-week period last month saw one of its rockets explode soon after launch and two of its satellites lose contact with earth, has announced it was undertaking an internal investigation of its space division.

The panel will look into the incidents, but also try to ensure that the company and its recent corporate acquisition, GE Aerospace, are enforcing "uniform standards," Phil Giaramita, a spokesman for the company, said Friday.

A Titan 4 rocket built by Martin Marietta exploded 101 seconds after lifting off on Aug. 2. NASA scientists lost contact on Aug. 21 with the $1 billion Mars Observer satellite and a $100 million weather satellite. Both were built by GE Aerospace before Martin Marietta bought that General Electric Co. division for $3 billion in March.

Martin Marietta spokesmen said they knew of no problem at either their existing operations or the former GE Aerospace that caused the mishaps, but company sources said top executives were concerned about conflicting corporate cultures.

GE Aerospace's Astro Space division is decentralized and flexible, while most decisions at Martin's Astronautics division and its Manned Space division are made at the top, with layers of corporate review, said sources within the company.

A retired Martin Marietta executive of 42 years, James A. Sterhardt Jr., will head the panel.

Australia Unlikely to Boost Rates

Compiled by Our Staff From Dispatches

SYDNEY — Australian Prime Minister Paul Keating signaled Sunday that his government was in no hurry to lift interest rates to shore up the collapsing local dollar.

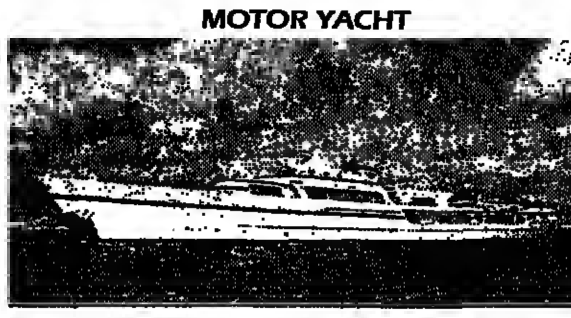
Asked if a plunge in the Australian dollar last week meant interest rates would rise, he said on television: "I wouldn't make that link here."

But Standard & Poor's Corp. said Sunday that it had nevertheless affirmed Australia's AA long-term foreign currency debt rating and changed the outlook for the country to stable from negative.

The Australian dollar fell to a seven-year low of 64.54 U.S. cents in New York on Friday before closing the week at 64.90 cents. The dollar fell 2.5 percent last week and is off 6 percent from last month.

Mr. Keating blamed declining commodity prices and political turmoil over the government's budget for overseas raids on the Australian dollar. (Bloomberg, Reuters)

THE WORLD'S FINEST TRADITIONAL MOTOR YACHT



The M/Y Massarrah (formerly Ultima II) at 257' (78.65m) is one of the largest private yachts in the world.

Built at the Kure shipyards, Japan in 1960 this classic yacht has been superbly maintained and lovingly restored and now even surpasses her former glory.

Equipped with modern communications systems designed with vast deck space and many day areas, the Massarrah is ideal for private use, corporate entertaining or as a Presidential or State yacht.

Lying in the Mediterranean. Price on request. For further details contact:
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WEEKLY INTERNATIONAL BOND PRICES

Provided by Credit Suisse First Boston Limited, London, Tel: 322 40 00. Prices may vary according to market conditions and other factors. September 3

Canadian Dollars

Issuer	Cpn	Mat	Price	Yld	Spd Trsy
Abbey Tsy Dc	7	96	151¼	6.02	+32
Abbey Tsy Jul	7½	98	102⅛	6.88	+63
Adb Mr	7½	02	104⅛	7.18	+27
Alberta Pr Aug	10¼	94	104¼	5.46	+14
Alberta Pr Feb	10½	96	109	6.47	+62
Asfinag	0½	03	108½	7.25	+38
Asfinag Mr	10⅛	01	115⅛	7.35	+52
Aust Ctrl Sk 9	9	97	106⅛	6.84	+72
Austria May	9¼	02	111	7.35	+44
Austria Mr	7¼	03	104⅝	7.06	+20
A. Matured	11	96	100	9.97	+537
Barc Corp Aug	5½	97	99½	6.59	+39
Bay Hypo Nov	1	96	102⅛	4.17	+13
Bay Hypo Sep	6¾	96	100½	6.56	+62
Bay Hypo Sep	10¼	96	109½	6.69	+73
Bayer Vere	8	98	104⅞	6.67	+46
Bayer Verx Dc	7¼	95	102⅛	6.71	+36
Bayer Vere Jul	7½	98	101⅛	6.79	+30
Bell Can 10.37	10⅜	96	108½	6.91	+109
Bell Can 12.37	12⅜	00	124½	7.60	+41
Bell Can Apr	7⅞	98	103⅞	6.85	+63
Bat Sep	10⅛	95	106⅛	6.99	+129
BP amer Apr	10¼	96	110	7.80	+157
BP amer Aug	10¾	01	117	7.89	+99
BP amer Jun	9½	02	109½	7.95	+106
Br Col Mun Jun	9½	01	109½	7.65	+77
Br Colmb Feb	10¼	01	118½	7.41	+59
Br Colmb Jun	10	96	108	6.68	+79
Br Colmb May	9¼	96	106½	6.48	+61
Br Colmb May	9¾	97	104½	7.62	+146
Br Colmb Oct	10	98	112¼	7.04	+75
Br Gas Plc Mr	10¼	98	111	7.16	+95
Br Gas Plc Oct	9½	01	109¼	7.91	+96
Can Nat Rl 9.5	9½	96	105⅝	7.21	+136
Can Nat Rl 8.8	9⅞	01	106½	7.71	+84
Carolo Dc	9¼	97	101¼	7.54	+134

Issuer	Cpn	Mat	Price	Yld	Spd Trsy
Ccl Jun	10½	99	103½	5.04	-4
Ccl Jul	10½	96	108½	6.84	+94
Ccl Quebec Oct	7⅞	01	98½	7.99	+149
Ciba Carp Oct	9¼	96	104⅝	7.61	+143
Cibc Jan	9¾	97	105⅝	7.11	+105
Cibc Sing 11.7	11¾	94	105	6.48	+152
Cnca Aug	10½	98	109	7.01	+108
Cnr Jul	8¼	97	102½	7.47	+136
Cnr May	7½	96	102¼	6.91	+67
Cnr May	9½	99	108¼	7.16	+121
Cnr Oct	10	98	108⅝	7.85	+154
Combanc Feb	8¼	97	102¼	7.46	+137
Confed Tsy Jun	9½	97	105½	7.74	+154
Cr Foncier Mr	5½	03	107½	7.36	+49
Cr Local Aug	7¾	96	104⅝	6.74	+48
Cr Local Dc	7¼	97	101	6.63	+43
Cr Local Feb	7½	96	103⅛	6.05	+20
Cr Local May	10¼	95	104	4.10	+60
Cr Local Sep	6¾	97	99⅝	6.49	+22
Cr Lyonn Apr	8½	97	103	7.81	+168
Cr Lyonn Jul	10½	96	109	4.79	+88
Cr Lyonn Mr	7½	96	101⅛	6.78	+84
Cr Nat Jun	10½	94	112½	7.17	+92
Cr Suisse Feb	n.a.	03	64⅝	9.14	+52
Daimler Oct	9½	01	111½	7.55	+60
Db May	10¼	99	115¼	7.12	+53
Db Fin Apr	7½	98	102⅝	6.52	+57
Db Fin Feb	7¼	97	102⅛	4.32	+23
Db Fin Jan	7¾	98	104½	6.52	+32
Denmark Feb	7½	96	105	6.13	+28
Denmark Jul	6½	97	100⅝	4.43	+22
Denmark Mr	7½	95	102⅝	6.78	+57
Deut Bk Fix 11	11½	97	108½	6.53	+87
Deut Fin Feb	10¼	01	115½	7.35	+63

Issuer	Cpn	Mat	Price	Yld	Spd Trsy
Fek. Dc	8½	96	196	6.45	+85
Fek. Feb	7½	96	100⅝	7.53	+132
Fek. Oct	7¾	00	100⅛	7.69	+139
Ferrovie Nov	10¼	93	108½	8.07	+251
Fin Ex Crd 0.0	n.a.	97	79½	7.07	+101
Finland Dc	9	96	107⅝	6.18	+82
Ford Cr Mr	10⅛	96	107⅝	7.51	+184
Ford M Cr Aug	11	96	110	8.12	+118
Ford M Cr Oct	10¾	96	105	7.10	+159
Ford Cda Jnl	0	98	103¼	7.17	+92
Ford Cda Nov	10¼	93	181	4.39	-15
Gec Mr	7½	96	102½	6.01	+15
Gec Cda Jol	7	97	101⅛	6.65	+15
Gec Cda Nov	7¼	96	102½	6.46	+33
Gecc Aug	6½	94	100½	6.39	+38
Gecc Apr	10⅛	98	111⅛	7.72	+94
Gecc Dc	11¼	95	110	6.36	+56
Gecc Dc	8½	96	104	6.55	+74
Gecc Dc	6½	96	101⅛	6.05	
Gecc Jul	12¼	96	109½	6.51	+87
Gecc Jun	10	96	108	6.78	+81
Gecc Jan	0	97	105	6.47	+26
Gecc Jan	8	96	105⅝	6.39	+19
Gecc Mr	10⅛	93	107¼	7.03	+92
Gecc May	7	97	102½	6.24	+7
Gecc Mln	7½	98	102⅝	6.59	+39
Gecc Nov	0	97	107	7.01	+87
Gecc Oct	10¼	93	100	9.35	+492
Gecc Oct	10¾	94	104⅛	6.96	+57
Gecc Sep	10	96	108½	6.76	+82
Gm Corp Jul	10¼	96	104	7.82	+218
GMAC Feb	11	96	102⅝	4.55	-19
GMAC Jan	10½	96	102	4.98	+27
GMAC Mr	11	94	102⅝	5.57	+77

Issuer	Cpn	Mat	Price	Yld	Spd Trsy
Eksportf Aug	10½	93	104⅝	5.54	+15
Eksportf May	10¼	95	109⅝	6.28	+39
Eksportf Nov	7¼	99	102⅝	7.00	+79
El Pwr Jun	8¼	97	106⅝	6.69	+50
El Pwr Sep	10⅛	01	117¼	7.37	+44
Eurofima 10.37	10⅜	96	110	6.78	+76
Eurofima Apr	7½	98	102¼	6.53	+31
Eurofima Feb	7¾	98	104¼	6.60	+40
Eurofima Jul	10¼	01	119¼	7.36	+45
Eurofima Aug	6½	95	100½	6.21	+53
Exp Imp Ja Dc	9½	97	106½	6.65	+45
Exp Imp Ja Oct	7¼	02	102⅞	7.31	+42
Fek. Apr	10½	95	105½	6.33	+77
Fek. Aug	6¼	96	95	7.52	+101
Fek. Aug	10¼	96	108½	5.96	+103

Issuer	Cpn	Mat	Price	Yld	Spd Trsy
Ibrd Nov	11½	95	110½	6.22	+45
Ibrd Oct	11	04	104¼	6.71	+110
Ibrd Sep	9	96	106½	6.53	+59
Ifc Aug	7¾	01	104½	6.72	+40
Jap Highw Sep	7¾	05	103¾	8.29	+48
Jdb Jul	12¼	95	109½	6.41	+77
Jlc Mr	8½	03	108.850	7.28	+42
Kansai Ele Dc	8¼	96	105	6.97	+93
Kfw Intl Aug	11¾	95	109½	6.41	+73
Kfw Intl Feb	7¾	96	104⅝	6.59	+38
Kfw Intl Mr	8½	91	105½	6.55	+44
Kfw Intl Mr	10	01	114	8.48	+65
Kfw Intl May	9½	02	113	7.40	+49
Kyushu Elx Oct	10¼	01	115	7.49	+78
Lkb Apr	10½	96	108¼	6.60	+73
Lkb Fin May	7	97	102½	6.27	+10

Issuer	Cpn	Mat	Price	Yld	Spd Trsy
Proc Gam Aug	10⅜	01	117	7.96	+99
Pru Fund Dc	8¼	97	103½	6.92	+72
Pru Fund May	10	96	101½	7.18	+131
Pru Fund May	9⅝	97	100	7.19	+102
Pru Fund Oct	10	96	108	8.80	+104
Psk Aug	10⅛	01	119⅝	8.34	+45
Queb Hyd Apr	9	99	105½	8.20	+105
Queb Hyd Jul	9¼	95	106	6.88	+97
Queb Hyd May	10¼	96	105½	6.62	+104
Queb Hyd Mr	10⅛	01	115⅝	7.76	+93
Queb Hyd Oct	11¼	00	120½	7.61	+86
Queb Hydro 9	9½	07	110	8.71	+85
Quebec Apr	10½	94	105	6.97	+111
Quebec Aug	11½	03	120½	7.59	+86
Quebec Dc	7½	03	100¼	8.61	+74
Quebec Feb	11	99	116¼	7.25	+86

Pound Sterling

Issuer	Cpn	Mat	Price	Yld	Spd Trsy
Abbey N Feb13	13¾	96	118½	5.52	
Adb Apr 1	11	01	129⅝	7.16	
Adb Jul	9½	99	109½	6.46	
Aidc Mr10	10½	99	114⅝	7.04	
All L Apr11	11¼	96	110⅝	6.43	
All L Feb11	11¾	04	103	4.04	
All L May11	11⅜	97	113½	6.79	
All L May14	14¼	95	112⅝	5.82	

Issuer	Cpn	Mat	Price	Yld	Spd Trsy
Granada Jan	11¼	19	127	8.41	
Guinn P Jan 1	12	96	111½	6.39	
Halifax Jan 1	11	14	198	8.13	
Halifax Mr96	10⅝	97	111⅛	6.53	
Hammers Dc10	10¾	13	115⅝	8.44	
Hanson Apr 1	10	00	113⅝	6.05	
Hmc	11⅛	93	109	10.37	
Hmc	11	04	103¼	4.27	
Hmc	11¾	95	112⅝	6.42	
Iadb May11	11⅝	95	108⅝	5.83	
Ibrd Aug10	10⅝	94	105	5.15	
Ibrd Dc 1	11	04	106¼	5.68	
Ibrd Feb10	10¾	99	115½	6.73	
Ibrd Feb11	11¼	01	122¼	7.83	
Ibrd Jul	9¼	03	115⅞	8.24	
Ibrd Mr 1	10	94	113⅞	6.74	
Ibrd May11	11¼	96	108¼	5.82	

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For investment information read THE MONEY REPORT every Saturday in the IHT

MUTUAL FUNDS

Figures as of close of trading Friday, September 3.

NEW YORK (AP) — The following quotations, supplied by the National Association of Securities Dealers, Inc., are the prices at which these securities could have been sold (Net Asset Value) or bought (value plus sales charge) Friday.

	Bid	Ask
AAL Mutual:		
Bond p	10.80	11.34
CaGr p	15.12	15.97
MuBd p	11.29	11.85
SmCoSt	10.53	11.05
AARP Invst:		
CaGr	35.55	NL
GinlM	16.03	NL
GthInc	32.76	NL
HQ Bd	17.40	NL
TxFBd	10.91	NL
ABT Funds:		
Emrg p	14.24	14.95
FL HI	10.67	11.20
FL TF	11.54	12.12
GthIn p	10.96	11.51
Utilin p	14.63	15.36
AHA Funds:		
Triflex	16.37	17.37
API Tr		unavail
API Gr fp	12.61	NL
Am Perform:		
Bond	11.74	11.60
Equity	12.78	13.31
IntBd	11.11	11.45
AmUtlFd	25.49	NL
Amway 1	8.07	9.32
Analyt	12.54	NL
AnchrCo 1	23.19	23.19
Aquila Funds:		
AZ TF	11.01	11.47
CO TF	10.89	11.34
HI TF	11.91	12.41
KY TF	10.96	11.42
OR TF	10.95	11.41
Arch Funds:		
Bal	10.35	10.84
Em Gr	12.91	13.52
GovCor	10.92	11.43
GroInc	14.72	15.41
MoTF	11.83	12.39
US Go	11.48	12.02
Amstng	8.67	NL
AtlantaGr	11.99	12.04
Atlas Funds:		
CaMun	11.50	11.94
GvtSc	10.76	11.09
CenKBIE	14.26	14.26
CenKBIE	14.26	14.93
Coninron	9.37	9.84
Cnl Shs	28.15	NL
ChCapBC	12.92	12.93
Chestnt	141.34	NL
ChicMilw	144.07	NL
ChubbGrI	16.50	17.21
ChubbTR	15.03	15.82
Clipper	55.35	NL
Colonial Funds:		
IntEq p	19.07	20.23
US 10 p	22.48	23.85
CalTE A	7.62	8.01
ConTE A	7.89	8.28
FedScA	11.57	12.15
FundA	25.24	26.78
GwthA	15.01	15.93
HIYldA p	6.80	7.14
IncomeA	6.92	7.27
MATxA	8.07	8.47
MI TE A	7.26	7.62
MN TE A	7.47	7.79
NatRes	11.91	12.64
NY TE A	7.46	7.83
OhTE A	7.62	8.00
SmlStk	16.62	17.43
StrtInA	7.35	7.72
TxExA	14.14	14.85
MunBd	13.15	NL
NJ Int	13.87	NL
NJ Mun	14.12	NL
NwLd r	36.33	NL
NYIn p	12.29	NL
NY Tax	16.57	NL
NYTE p	18.62	NL
PeopIn 1	16.60	NL
PeoMid r	17.44	NL
ShIGv	11.67	NL
ST Inc p	12.55	NL
ShInT p	13.31	NL
Thrd C	8.78	NL
UST Inf	14.05	NL
UST Lng	16.40	NL
USTSh	16.18	NL
Dreyfus Premier:		
CAMn	13.65	14.29
CTMA	12.74	13.34
CapV A	11.62	12.17
CapGth	18.60	19.10
FLMu	15.55	16.28
GlbInA	15.30	16.02
GlbInB	15.23	15.23
GnmaA	15.33	16.04
MAMA	12.47	13.06
MDMA		unavail
MIMuA	16.30	17.07
MNMA	15.82	16.57
Exch	101.94	NL
Fidel	19.88	NL
GNMA	11.03	NL
GloBd	12.33	NL
GloBal	12.60	NL
GovtSc	10.97	NL
GroCo	30.58	31.53
GrpInc	22.18	22.87
HiYld	13.39	NL
InsMu	12.61	NL
IntBd	11.06	NL
InterGvt	10.00	NL
IntGr	11.06	NL
InvGB	8.01	NL
Japan	14.31	NL
LatinAm	12.51	NL
LtdMun	10.17	NL
LowP r	16.76	17.28
MI TF	12.51	NL
MN TF	11.49	NL
Magell	74.38	76.68
Mktln r	34.35	NL
MA TF	12.28	NL
MtgSc	10.82	NL
MunBd	9.05	NL
NY HY	13.40	NL
NY Ins	12.55	NL
NewMkt	11.58	NL
NewMll	12.85	12.42
OH Fort	11.73	NL
Util r	13.68	13.82
44 WlEp	7.54	7.54
Forum Funds:		
InvBnd	11.07	11.50
InvStk	11.13	11.50
ME Bnd	10.96	11.37
TaxSvr	10.96	11.36
Founders Group:		
BlueC p	7.55	NL
Discv p	21.63	NL
Frntr p	28.09	NL
GovSc	11.09	NL
Gwth p	12.80	NL
Inco p	9.40	NL
Specl p	8.37	NL
WldGr p	15.09	NL
Fountain Square Fds:		
Balance	10.09	10.57
GovtSe	10.35	10.84
QualBd	10.51	11.01
QualGr	9.88	10.35
Franklin Group:		
AGE	2.83	2.95
AdjUS	9.87	10.10
ARS	10.05	10.45
AL TF	11.07	12.36
AZ TF	11.73	12.22
HilliardG	15.45	16.22
HomstdBd	5.24	NL
HomstdVal	14.30	NL
Hor Man	22.90	NL
HudCap	13.00	13.76
HummerIn	15.98	15.98
HummerG	21.70	NL
Nuetmgta Fds:		
Globl	14.06	14.49
Hard	12.62	13.01
HiInc	11.33	11.68
NyvSD	9.20	9.48
HypSD2	9.50	9.50
1AATrGr	16.61	17.12
1A1 Funds:		
ST DI	7.57	7.57
StdInt	8.78	8.70
SmCoE	11.21	11.21
TotR1	14.63	14.63
Kent Funds:		
ExpEq	12.09	NL
FxdIn Ins	10.51	NL
IdxEqIn	10.98	NL
IntlEqIn	12.91	NL
LtMatIns	9.97	NL
MedTE	10.45	NL
MIMuIn	10.08	10.08
ValEqIn	10.96	NL
Keystone:		
CusB1 1	16.55	16.55
Canad p	10.37	11.00
FinIn p	10.42	11.15
Global	11.26	11.95
LtdMu	10.53	10.86
NY Mu	10.19	10.70
NtMu p	10.31	10.82
NAmer p	7.87	7.58
IvyGr p	16.15	17.14
IvyGrI	10.10	10.72
IvyIntl	24.86	26.38
MainSt C	12.85	13.49
MainStI p	22.35	23.46
MainStay Funds:		
CaAp t	19.52	19.52
Conv 1	13.98	13.98
NCC Funds:		
Equity	13.81	14.35
FxdInc	11.36	11.80
OH TE	11.06	11.40
ND TxFr fr	9.59	NL
NYL Instit Fds:		
EAFE	12.62	NL
Bond	11.24	NL
GrEq	15.50	NL
IdxBd	11.92	NL
IdnEp	14.05	NL
MultA	12.06	NL
ST Bd	10.98	NL
ValEq	13.58	NL
National Funds:		
IntlEq	12.64	12.64
Mgd1	11.29	11.29
PA TF	10.68	11.15
SmCoValE	13.12	13.12
ValEp	11.61	11.61
PRA Rlty	10.53	NL
Pacific Horizon:		
AgGr p	28.29	29.62
CATF p	15.41	16.18
CapInc	14.83	15.53
US Gv	10.26	10.74
Pacifica Fds:		
APrsn	10.23	NL
Balan	12.86	13.47
CA TF	11.45	11.99
EqVal	13.28	13.91
GvInc	10.97	11.49
ST CA	10.17	NL
Paine Webber:		
AsstA p	12.16	12.73
ATLA p	15.47	16.20

For investment information read THE MONEY REPORT every Saturday in the IHT

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New International Bond Issues

Compiled by Laurence Desvilettes

Issuer	Amount (millions)	Mat.	Coup. %	Price	Price end week	Terms
Floating Rate Notes						
Bacob Overseas	$100	1997	0.20	100	—	Over 3-month Libor. Noncallable. Fees 0.20%. Denominations $10,000. (Sanwa Int'l.)
Banca Nazionale del Lavoro Hong Kong	$100	2003	3/16	100	—	Below 6-month Libor. Minimum interest 5¼%, maximum 10%. Noncallable. Fees 0.50%. (Morgan Stanley Int'l.)
Banque Indosuez	$100	2005	¼	99¾	—	Below 6-month Libor. Minimum interest 5%, maximum 8%. Noncallable ubordinated notes. Fees 0.50%. (Credit Suisse First Boston.)
Crédit Lyonnais	$150	2005	¼	99¾	—	Over 6-month Libor. Minimum interest 5%, maximum 8%. Noncallable subordinated notes. Fees 0.50%. (Credit Suisse First Boston.)
Goldman Sachs Group	$125	2005	libor	99¾	—	Interest will be the 6-month Libor, with a minimum of 5¾% and a maximum of 9%. Noncallable. Fees 0.50%. (Goldman Sachs Int'l.)
Frankfurter Hypothekenbank	DM 100	2003	7½	100	—	Interest will be 7½% in first year, thereafter 17¾% less twice the 6-month Libor. Noncallable. Fees 0.30%. (Trinkaus & Burkhardt.)
Irish Permanent Building Society	£100	1998	0.30	99.68	—	Over 3-month Libor. Noncallable. Fees 0.25%. Denominations £10,000. (UBS.)
Société Générale Acceptance Corp.	FF 500	2003	Pibor	100	—	Interest will be 7% in first 9 months, thereafter 15½% less 1.75 times the 3-month Pibor. Reoffered at 99.40. Noncallable. Fees 1.10%. (Société Générale.)
Crédit Local de France	ITL 150,000	1996	¼	100⅛	—	Below 3-month Libor. Noncallable. Fees 0.25%. (Credito Italiano.)
KFW Int'l Finance	ITL 150,000	1998	0.30	100.70	—	Below 3-month Libor. Reoffered at 100.60. Noncallable. Fees 0.25%. (Banca Commerciale Italiana.)
Obayashi Finance Int'l	Y 10,000	1996	0.275	100.225	—	Over 3-month Libor. Noncallable. Fees 0.25%. Denominations 100 million yen. (Sanwa Int'l.)
Int'l Finance Corp.	HK$ 500	2000	Hibor	100.40	—	Interest will be 13¾% less twice the 3-month Hibor in first two years, thereafter a fixed 7%. Noncallable. Fees 0.40%. Denominations HK$500,000. (Société Générale Asia.)
Fixed-Coupons						
Crédit Local de France	$300	1996	4¼	100.738	99.55	Reoffered at 99.55. Noncallable. Fees 1⅛%. (Sakura Finance Int'l.)
General Electric Capital Corp.	$250	1996	4¼	100.878	99.65	Reoffered at 99.69. Noncallable. Fees 1⅛%. (UBS.)
Grupo Situr	$100	1998	8¾	99.762	—	Noncallable. Fees 1%. (Lazard Frères.)
Petrobras	$200	1996	7½	99.947	—	Semiannually. Noncallable. Fees 1¾%. (Bear Stearns Int'l.)
DEPFA Finance	DM 1,500.	2003	6⅝	101⅞	99.95	Reoffered at 99.70. Noncallable. Fees 2½%. (Dresdner Bank.)
Sudwestdeutsche Genossenschaft Zentralbank	DM 150	2003	6¼	102	99.60	Noncallable. Notes may be exchanged in 1995 and 2001 for FRNs paying 0.05 below 6-month Libor. Fees 2½%. (Trinkaus & Burkhardt.)
Crédit Local de France	FF 1,500	2005	6¼	98.28	98.05	Noncallable. Fees 0.35%. (Crédit Lyonnais.)
Ile de France	FF 600	2000	6	101⅛	99.10	Reoffered at 98.55. Noncallable. Fees 1⅞%. (Paribas Capital Markets.)
Régie Autonome des Transports Parisiens	FF 2,500.	2003	6	99½	97.65	Reoffered at 97.825. Noncallable. Fees 2%. (Société Générale.)
Société Nationale des Chemins de Fer Français	FF 1,000	2013	6¾	98.72	98.87	Noncallable. Fungible with outstanding issue, raising total amount to 4 billion francs. Fees 0.50%. (Société Générale.)
Rabobank Nederland	ITL 500,000	2003	zero	46.426	45.18	Yield 7.98%. Noncallable. Proceeds 229 billion lire. Fees 1¼%. (IMI Bank.)
British Columbia	C$ 400	2005	7¼	100.575	99.50	Reoffered at 98.80. Noncallable. Fees 2⅛%. (ScotiaMcLeod.)
Quebec	C$ 35	1998	6⅞	102.05	—	Noncallable. Fees 1⅛%. (Banque Int'le à Luxembourg.)
Quebec	C$ 21	2003	7⅝	101.95	—	Noncallable. Fees 2%. (Banque Int'le à Luxembourg.)
Austria	Y 60,000	2005	4½	100	—	Noncallable. Fees 0.35%. (Yamaichi Int'l.)
Export-Import Bank of Japan	Y 75,000	2003	4⅝	99.73	—	Noncallable. Fees 0.65%. (Nomura Int'l.)
Itochu Int'l	Y 10,000	1997	3¾	100.425	—	Noncallable. Fees 0.225%. (Merrill Lynch Int'l.)
Equity-Linked						
Edensha	$ 60	1997	1¼	100	—	Noncallable. Each $10,000 note with two warrant exercisable into company's shares at 1,343 yen per share and at 105.20 yen per dollar. Fees 2¼%. (Nomura Int'l.)
Hemaraj Land & Development Public Company	$ 60	2003	3½	100	—	Redeemable in 1998 to yield 6.40%. Convertible at 186 baht per share, an 11.83% premium, and at 25.20 baht per dollar. Fees 2½%. (Robert Fleming.)
MDX Public Co.	$ 80	2003	open	100	—	Coupon indicated at 4½ to 5%. Noncallable. Convertible at an expected 12 to 14% premium. Fees 2½%. Terms to be set Sept. 9. (Nomura Int'l.)
Wakita	$100	1997	1¼	100	—	Noncallable. Each $5,000 note with one warrant exercisable into company's shares at 2,194 yen per share and at 105.20 yen per dollar. Fees 2¼%. (Wako Int'l Europe.)

Salomon Exile Opens Fund With Big Stakes

By Saul Hansell
New York Times Service

NEW YORK — Take the gutsy and aggressive multibillion-dollar trading style of George Soros and mix in the abstract exploration of Ivy League academics and you'll begin to understand the new investment firm formed by John Meriwether, former vice chairman of Salomon Brothers Inc.

Mr. Meriwether, known as J.M., grew famous for playing a high-stakes game of liar's poker with Salomon's former chairman, John H. Gutfreund. But his real contribution to that firm was putting together a small group of mathematicians and academics who developed trading strategies that earned billions of dollars.

Mr. Meriwether was forced out of Salomon after it forged bids in several government bond auctions. Now he is trying again, putting together a $2 billion to $3 billion investment fund to be managed by some of Wall Street's best traders and some of academia's most influential minds.

Mr. Meriwether's firm will focus on the unusual and risky business of long-term trading. Hedge funds, like George Soros's Quantum Fund, bet on short-term market movements, investing for periods of several minutes to a few weeks.

But Mr. Meriwether's firm, named Long Term Capital Management, will make investments that are not expected to pay off for six months to several years. The firm is to concentrate on investing in bonds and in instruments that relate to interest rates and currencies.

Mr. Meriwether's style of trading is generally not to bet on the direction of a given market but on the relationship among several instruments, so-called arbitrage trading. This style of trading produced returns of 30 percent a year or more at Salomon, but it is also volatile. Salomon expects its trading account to lose money one quarter out of five.

Investors will not be able to get their money back for three years and will pay 2 percent a year plus 25 percent of the profits to the fund's managers.

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Investors Go Longest on the Short End

Yield Curve Steepens on Speculation That the Fed Will Ease

Knight-Ridder

CHICAGO — Expectations for a steepening of the Treasury yield curve are likely to be the focus in credit markets this week, with the slide in short-term rates seen persisting amid talk of an easing by the Federal Reserve Board.

Speculation of Fed easing was sparked by the unexpected drop of 39,000 in nonfarm payrolls in August reported Friday. This data was taken in the market as a sign that the Fed might have to reduce short-term rates to spur economic growth.

The yield of the 30-year Treasury bond plunged to a new low on Friday, but the day's rally was outpaced by the drop in short-term rates, causing the yield curve to steepen.

The spread between the yields on the 30-year bond and the 2-year Treasury note widened to 2.25 percentage points from 224 basis points Thursday. The long bond dropped to 5.94 percent, the lowest in a quarter century, while the 2-year note hit 3.69 percent, a low for the year.

The yield curve could steepen further in coming weeks as bond investors begin to fear the inflationary effects of a possible Fed easing.

Most emphatic in his prediction of a Fed move was Philip Braverman, chief economist at DKB Securities Corp. He said the weak economy would force the Fed to push down the federal funds rate, the rate banks charge one another for overnight money, from its current 3 percent.

"The economy in reality is so blatantly weak, effectively capping inflation fears, that the Fed will be forced to ease with either a 50-basis-point cut in the funds rate or two 25-basis-point moves," he said.

Other economists were not as positive as Mr. Braverman. "The markets are discounting a Fed easing, but that's what markets do," said Allen Sinai, chief economist at Economic Advisors in New York, a division of Lehman Brothers.

Mr. Sinai and other analysts said they did not think the Fed would ease immediately but that the central bank would be prepared to ease if future data show more weakness in the economy.

U.S. CREDIT MARKETS

The Fed's last easing came on Sept. 4, 1992.

In the first and second quarters of 1993, spikes in inflation indicators and a sharp rise in precious metals prices fueled inflationary fears.

The Fed responded by adopting a more hawkish stance and voting to take on a tightening bias at its May 18 policymaking meeting.

Most analysts said they believed that bias was sustained at the Aug. 17 Federal Open Market Committee meeting.

"Given the fact that they just moved to that bias, they would not want to abandon it so quickly," said Kevin Flanagan, economist with Dean Witter in New York.

Others said they thought continued sluggishness in the economy may have caused Fed policymakers to move to a neutral bias.

"I don't think they're going to ease on the basis of this report," said Paul Kasriel, economist with Northern Trust in Chicago. "However, I think it is safe to say they have abandoned their tightening bias," he said, and could move to an easing bias at the Sept. 21 FOMC meeting.

An easing of short-term rates could actually drive up long-term rates because of fears that an easier money policy will rekindle inflation.

While nonfarm payrolls fell, other parts of the employment data were more bullish for the economy, leaving a mixed argument about whether or not the Fed would ease, said Samuel Kahan, chief economist at Fuji Securities in Chicago.

The jobless rate fell to 6.7 percent from 6.8 percent in July and the average work week rose 0.2 hours, to 34.7 hours.

■ Exploring Rate History

Determining when interest rates on the 30-year bond were as low as Friday is not as easy as it might seem, Jonathan Fuerbringer of The New York Times reported.

Regular issuing of 30-year bonds began in May 1977. So only since then has there been a consistent market in 30-year Treasury bonds.

Based on historical data compiled by Salomon Brothers Inc., Friday's 5.94 percent is the lowest since the monthly average yield of 5.82 percent in January 1973.

But Robert V. DiClemente, a Salomon economist, said that yield was not an accurate reflection of 30-year Treasury yields at the time. The 1973 yield is based on old 30-year bonds sold by the Treasury that were selling at a deep discount to their face value as inflation started to rise.

Thirty-year utility bonds, which unlike Treasury bonds were regularly issued 25 years ago, are a good proxy, therefore. The yield on AA utility bonds is now back to the 6.5 percent it was at in the fall of 1968.

The Week Ahead: World Economic Calendar, Sept. 6 - 10

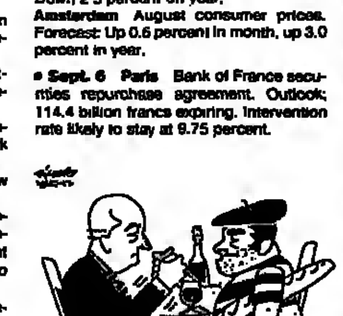
A schedule of this week's economic and financial events, compiled for the International Herald Tribune by Bloomberg Business News.

Asia-Pacific

• **Sept. 6 Melbourne** ANZ Bank index of help-wanted ads for August. Forecast: Job vacancy ads to rise 1 percent, after 3.9 percent gain in July.
Tokyo Japan Car Importers Association to release imported vehicle sales for August. Outlook: Weak sales.
Earnings expected: Peregrine Investments Holdings, Woolworths, North Broken Hill Peko, Poseidon Gold.
• **Sept. 7 Earnings expected** Commonwealth Bank of Australia, Network Nine, CITIC Pacific.
• **Sept. 8 Earnings expected** Air New Zealand.
• **Sept. 9 Canberra** Australian employment data for August. Forecast: Unemployment to edge up to 10.8 percent from 10.7 percent in July; employment to grow 10,000.
Earnings expected Santos Ltd., Australian Consolidated Press, Brierley Investments, Coles Myer, BTR Nylex.
• **Sept. 10 Melbourne** Ross Adler, managing director of Santos Ltd., to address Securities Institute of Australia. Topic: Opportunities for supply of gas in southwest Queensland state.
Earnings expected Pacific Dunlop, TNT.

Europe

• **Sometime this week Frankfurt** July factory orders. Forecast: No change in month, after 1.0 percent drop in June.
Paris May trade balance. Forecast: Surplus of 5.5 billion French francs, after 7.6 billion surplus in April.
Zurich August consumer prices. Forecast: Up 0.3 percent in month, up 3.4 percent in year.
Frankfurt June trade. Forecast: 3.5 billion DM trade surplus, 2.0 billion DM current-account deficit.
Frankfurt July retail sales. Forecast: Down 2.5 percent on year.
Amsterdam August consumer prices. Forecast: Up 0.6 percent in month, up 3.0 percent in year.
• **Sept. 6 Paris** Bank of France securities repurchase agreement. Outlook: 114.4 billion francs expiring. Intervention rate likely to stay at 9.75 percent.



Paris Prime Minister Edouard Balladur meets labor unions to discuss five-year employment plan.
• **Sept. 7 Frankfurt** West German second-quarter GDP. Forecast: No change in quarter.
Brussels EC Monetary committee meets.
• **Sept. 9 Frankfurt** Bundesbank Council meeting.
Frankfurt International car show begins, through Sept. 19.
London Confederation of British Industry August distributive trades survey released.
Stockholm August consumer prices. Forecast: No change in month, up 4.6 percent in year.
• **Sept. 10 Amsterdam** August consumer prices.
Oslo August consumer prices. Forecast: Down 0.1 percent in month, up 2.3 percent in year.
Paris August consumer prices. Forecast: No change in month, up 2.2 percent on year.

The Americas

• **Sept. 6 Canada and United States:** Stock exchanges, government offices and most businesses closed for Labor Day holiday.
Fort Worth, Texas Deadline for contract negotiations between American Airlines and its 21,000 flight attendants.
• **Sept. 7 Washington** Federal Reserve System reports July consumer credit. Forecast: Increase of $2.5 billion.
Brazil Banks, stock markets, government offices and most business closed for Independence Day.
Detroit Chrysler Corp. introduces its Neon subcompact at the Frankfurt Auto Show, with video link to the United States.
Earnings expected H.J. Heinz.
• **Sept. 8 Washington** July wholesale trade.
Washington Federal Reserve System releases its so-called Tan Book on current economic conditions.
New York Three unions at United Airlines to begin two days of talks over their proposal for $3.3 billion in concessions in return for 60 percent of UAL Corp.
Washington Institute of Medicine releases report on uses of RU-486, so-called abortion pill.
• **Sept. 9 Washington** Initial weekly state unemployment compensation insurance claims.
Washington Third-quarter productivity.
Washington 1993 plant and equipment spending.
Mexico City Inflation for August. Outlook: Up 0.6 percent.
Santiago Auction of 0.5 percent of Compania de Petroleos de Chile worth $12 million.
Buenos Aires Economics Ministry announces winner of 20-year concession to operate the state-owned Rio Turbio coal field in south Argentina.
Cambridge, Massachusetts Four-day world economic conference, sponsored by the World Economic Forum and Massachusetts Institute of Technology, begins.
Boston Gillette introduces personal-care products.
Las Vegas Compuexpo '93 trade show sponsored by UNSC Investment Group shows fall line of PCs and software. Through Saturday.
• **Sept. 10 Washington** Producer price index for August. Outlook: Up 0.2 percent.
Belo Horizonte, Brazil Government's sale of state-run steel company Acominas for a minimum price of $346 million. Outlook: Price will likely increase.
Everett, Washington Boeing scheduled to roll out 1,000th 747 jetliner.

EC: *Everyone Thought the Currency Game Was Over, but Players Don't Want to Go Home*

Continued from Page 1

forced up French interest rates last week. In the days ahead of the August crisis, the one-month rate was 10.25 percent. Later in the month it had fallen to 7.625 percent. But between the last day of the month and in the first three days of September the rate rose to 8 percent only to ease back Friday, to 7.938 percent.

It's not unusual to see Euromarket interest rates harden at the end of the month, but for Antoine Alfonsi at Forex Finance in Paris this was evidence that speculative positions opened just prior to the climax of the crisis were being rolled over rather than cashed out. "The bulk of the speculation was for one month," he said.

Francs had been borrowed at the time of the Aug. 2 crisis and sold for Deutsche marks with the intention to sell the marks and repay the franc loan a month later.

But there was not much profit to doing that. Marks a month ago were bought for 3.43 francs. Currently the mark is worth 3.52 francs. Unwinding positions produces a profit of a mere 2.6 percent and scenting there's more to be had, speculators prefer to renew their positions for another month.

The bulk of the pressure last week was on the Belgian franc, and the authorities not only raised short-term rates to help stabilize the currency but were also obliged to intervene in the foreign-exchange market. Despite that, the currency weakened 0.8 percent over the week to end at 21.55 per mark.

The Danes also raised interest rates just after the introduction of widened currency bands, but the kroner remains under pressure.

The bond markets in both Belgium and Denmark stand out as glaring exceptions to the nearly worldwide rally in prices over the past month that has driven yields down sharply. But yields on 10-year Belgian bonds have risen a quarter-point, or 25 basis points, and in Denmark they are up 8 basis points. Bankers report heavy selling of these markets by Benelux residents who are said to be moving their funds into marks.

So why, in the face of this kind of pressure and the evident domestic needs for much lower interest rates, do the governments of France, Belgium and Denmark refuse to make use of the wider currency bands and slash interest rates?

Obviously they would like to minimize speculators' profits and obviously having made the political investment in defending the old system they don't want to be seen to be abandoning it.

But a better explanation, says Christopher Potts at Banque Indosuez in Paris, "is the fear of Germany."

If France and the others were to slash interest rates and adopt an independent monetary policy "it would legitimize an autonomous policy stance in Germany."

He points out that the aim of European monetary union laid out in the Maastricht treaty is to federalize such policy decisions. He believes that the only way to force Germany, in an election year, to adopt the fundamental reforms needed to cope with the costs of unification is to keep up the pressure preventing the Bundesbank from adopting a monetary policy that is not consistent with the needs of its EC partners.

Bundesbank policymakers meet on Thursday, and a failure to cut interest rates is certain to ignite the foreign-exchange market into a new attack on the European exchange-rate system.

But Holger Fahrinkrug, a Frankfurt-based analyst for Union Bank of Switzerland, believes that the central bank will cut its floor discount rate by a half point to 6.25 percent.

LABOR: *Little Dignity, Less Hope*

Continued from Page 1

people go to work selling things to people who are on their breaks from selling things.

For most workers, wages have been stable or sinking for 20 years. The center of the labor force has been hollowing out, Mr. Levy says, as the top and bottom have grown.

Many economists assume that these problems will ease with recovery, but they also note stickier trends. One is the old ogre of automation. Fear of robots and computer-run factories reared up in the 1950s, only to fade as new industries ignited the '60s boom.

These days, too, automation roars ahead, letting industries grow and prosper. But no one sees the emerging industries that can take on the workers they are letting go.

Bank tellers share work with automated teller machines. Insurance and credit card companies keep barns full of $5-an-hour clerks who type data from forms and receipts into computers. It can be hard and painful, but it is work, and soon there will be less of it. Uncomplaining machines called optical character readers are coming along to displace the typists.

"I have a feeling," said Robert L. Heilbroner, author of "The Worldly Philosophers," "that technology is taking a course that is much more threatening."

Another stress is the competition from Asia and Latin America. Their workers are paid in a day what Germans and Americans earn in an hour, in factories whose products sell for vastly less than competing American products.

To survive, companies from industrial countries install factories in Brazil or Malaysia, making goods abroad to sell to workers who in buying them put themselves out of jobs.

These trends are tearing up the grain of the U.S. economy. "We're at a watershed period in our postwar industrial experience," said Stephen S. Roach, an economist at Morgan Stanley. "This is not a transitional or temporary or cyclical problem of job deficiency."

Nagging questions remain: What will new industries be? Will they have jobs enough for America's 130 million workers? Might the Earth's size limitations, at some point, begin to curb work-driven growth?

Some experts say they just do not see enough jobs coming along, particularly for the many who cannot be supernovas. Shorter work weeks and shorter careers would let industry spread the work around. Scarcer, richly paid supernova workers would be richly taxed to subsidize a new, low-wage leisure class.

Maybe Americans could be happy riding bikes to four-hour jobs.

RATES: *Too Low Too Long*

Continued from Page 7

the coming crash to be any worse than that of 1987, which was sharp but short-lived.

Jonathan Wilmot at Credit Suisse First Boston in London agreed "there are signs of mania in financial markets as investors search for alternatives to abnormally low U.S. interest rates." But he was also unworried about the possibilty of a Japanese-style financial bubble.

"The difference between what we're experiencing now and what Japan went through is that there is not the same amount of leverage," he said. "In Japan, rising values on real estate and financial assets were used to back bank loans that were spent to purchase more assets.

"There's no such multiplier effect apparent now," he added. "What we're witnessing is a flight from cash, not a leveraging up."

Last Week's Markets

All figures are as of close of trading Friday

Stock Indexes

United States	Sept. 3	Aug. 27	Ch'ge
DJ Indus.	3,633.93	3,640.63	−0.18 %
DJ Util.	254.55	254.09	+0.18 %
DJ Trans.	1,623.86	1,655.06	−1.89 %
S & P 100	425.05	426.33	−0.30 %
S & P 500	461.34	460.54	+0.17 %
S & P Ind	522.35	521.86	+1.85 %
NYSE Cp	256.22	255.40	+0.32 %
Britain			
FTSE 100	3,057.30	3,100.60	−1.40 %
FT 30	2,390.80	2,413.00	−0.92 %
Japan			
Nikkei 225	21,116.	20,792.	+1.56 %
Germany			
DAX	1,925.16	1,904.60	+1.08 %
Hong Kong			
Hang Seng	7,512.13	7,422.98	+1.20 %
World			
MSCIP	600.20	596.20	+0.67 %

World index: From Morgan Stanley Capital Int'l.

Money Rates

United States	Sept. 3	Aug. 27	
Discount rate	3.00	3.00	
Prime rate	6.00	6.00	
Federal funds rate	2 15/16	2 15/16	
Japan			
Discount	2½	2½	
Call money	2 ⅛	2 ⅛	
3-month interbank	2 ⅞	2.80	
Germany			
Lombard	7¾	7¾	
Call money	6.85	7.05	
3-month interbank	6.55	6.55	
Britain			
Bank base rate	6.00	6.00	
Call money	5⅞	6⅛	
3-month interbank	5⅞	5 ⅞	
Gold	**Sept. 3**	**Aug. 27**	**Ch'ge**
London p.m. fix, $	362.80	369.25	−1.75 %

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Euromarts At a Glance

Eurobond Yields

	Sept. 3	Aug. 27	Yr high	Yr low
U.S. $, long term	6.73	6.57	8.12	6.07
U.S. $, mdm term	6.59	5.44	7.68	5.44
U.S. $, short term	5.66	4.84	6.50	4.77
Pounds sterling	7.04	7.81	8.36	6.74
French francs	6.45	6.52	8.76	5.44
Italian lire	8.65	8.72	12.96	8.65
Danish kroner	7.17	7.20	10.81	6.93
Swedish kronor	7.41	8.84	11.32	7.27
ECU, long term	6.70	6.97	8.84	6.66
ECU, mdm term	6.56	6.71	8.82	6.56
Can. $	6.81	6.79	8.48	6.79
Aus. $	6.61	6.80	8.79	6.50
N.Z. $	6.68	7.15	8.23	6.51
Yen	5.55	4.18	5.88	3.96

Source: Luxembourg Stock Exchange.

Weekly Sales — Sept. 2

Primary Market

	Cedel $	Cedel Non$	Euroclear $	Euroclear Non$
Straights	29.00	605.90	130.50	652.30
Convert.	—	33.28	—	41.70
FRNs	104.60	98.80	562.70	650.80
ECP	4,030.10	1,938.60	9,166.00	3,946.10
Total	4,163.70	2,668.50	9,859.20	5,290.10

Secondary Market

	Cedel $	Cedel Non$	Euroclear $	Euroclear Non$
Straights	8,568.60	15,438.20	25,835.20	29,572.10
Convert.	289.40	721.90	930.30	1,612.50
FRNs	3,256.90	743.40	12,391.20	2,831.N
ECP	6,290.40	5,346.10	8,290.00	9,405.80
Total	18,405.30	22,249.60	47,444.70	43,420.70

Source: Euroclear, Cedel.

Libor Rates — Sept. 3

	1-month	3-month	6-month
U.S. $	3⅛	3 3/16	3 5/16
Deutsche mark	6 15/16	6¾	6 7/16
Pound sterling	5 15/16	5 15/16	5 13/16
French franc	7 15/16	7 9/16	7 1/16
ECU	8⅛	8	7 9/16
Yen	3 1/16	2 13/16	2¾

Sources: Lloyds Bank, Reuters.

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This Announcement does not Constitute an Offer for Sale

INVITATION FOR OFFERS

The Ionian and Popular Bank of Greece S.A. (the "Bank") invites interested parties to submit offers for the purchase of its interest in IONIAN HOTEL ENTERPRISES, S.A. (the "Company"). The Bank holds approximately 91% of the shares in the Company. The Company is registered on the Athens Stock Exchange and its market capitalisation at the close of business on 2 September, 1993 was approximately 14.3 billion drachmas.
The Company owns two luxury hotels, namely the ATHENS HILTON and the RHODES IMPERIAL in Rhodes, with a capacity of 453 and 403 rentable units respectively. The financial position of the company, based on the financial statements dated 31/12/1992 is as follows:
Share Capital: 13,404,440,000 drachmas, divided into 13,404,440 bearer shares with a nominal value of 1,000 drachmas each;
Total Assets: 20,567,760,886 drachmas;
Net Worth: 11,072,180,903 drachmas.
The Bank invites investors who are interested in the purchase of the above mentioned block of shares, or a block of shares which constitute at least 80% of the total issued share capital of the Company, to submit sealed bids during the period 7 to 27 September, 1993, from 9:00 a.m. to 12:00 mid-day, which sealed bids must be accompanied by: (a) a letter of guarantee with a validity of six months (which can be extended), issued by a recognised bank and with a value equal to the amount of the bid, and (b) certificate(s) of due authorisation. Such persons will be bound to participate in the negotiations for the sale of the package of shares.
The bids must state precisely the bid price and the terms of payment (cash, in whole or in part, interest rates, security/collateral, etc.) and must be submitted to the Financial Services Department of the Ionian Bank (4th Floor, 6-10 Har. Trikoupi Street, Athens, attn. Mr. G. Iatrellis, Director), in the presence of Athens Notary Public, Mrs. Ifigenia Christia-Mbai, by 12:00 mid-day Athens time on Monday, 27 September, 1993. The above mentioned deadline is final and following its expiry no other bids will be accepted.
In addition, only bids made on behalf of a single body corporate or partnership or by a single individual will be considered.
The bids will be opened on Monday 27 September, 1993 at 1:00 pm in the Board Room of the Bank (Panepistimiou and Pesmazoglou Streets, 1st Floor, Athens) by the above mentioned Notary Public in the presence of the senior management of the Bank and those who have submitted bids, should they wish to be present. A table showing the details of each bid will be drawn up.
The best three bidders will be invited on the same day to submit improved final bids by 3:00 pm of the following day (28 September, 1993), with a minimum value equal to that of the highest of the above mentioned three bids or any other greater amount determined by the Bank. These final bids must be accompanied by a letter of guarantee with the same six-month maturity and for an amount equal to the excess of the final bid over the initial bid. The final bids will be opened on the same day (28 September, 1993) at 4:00 pm in the Board Room of the Bank and in the presence of those persons mentioned in the previous paragraph.
The successful bid will be that which, in the sole discretion of the Bank, offers the best combination of price and payment terms.
The Bank retains the right, at any stage of the bidding process, to accept or reject any offer made without any compensation to any of the bidders.
In the event that a bid is accepted, the shares will be transferred to the successful bidder. The transfer will be effected by the signing of the Share Transfer Agreement.
Should the successful bidder not execute the Share Transfer Agreement or fail to fulfil his obligations, the Letter of Guarantee will be called upon. Each bidder and the successful bidder shall bear all costs and expenses (including, without limitation, stamp duties, taxes, levies, etc.) in respect of its participation in the bidding process and the transfer of shares.
A sample of the letter of guarantee, and copies of the Offering Memorandum and the Share Transfer Agreement will be available by the Financial Services Department of the Bank to interested investors or their duly authorised representatives, upon the signing of a Confidentiality Agreement.
For more information interested parties may contact the Bank at the address below:
Ionian and Popular Bank of Greece S.A.
Financial Services Department
6-10 Har. Trikoupi Street, 4th Floor, Athens
Tel.: ++30-1-362-9401 (Attn.: Mr. G. Iatrellis, Director)

IONIAN BANK

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Countdown To Merger of Renault, Volvo

Compiled by Our Staff From Dispatches

PARIS — Renault and Volvo will announce their long-awaited merger this week, possibly as early as Monday, a French government source said on Sunday.

The source said lawyers were taking a last look at the documents.

In a radio interview Sunday, the French industry minister, Gérard Longuet, said he was glad the companies, and not the governments involved, apparently would be announcing the merger.

(Reuters, Bloomberg)

IMPORTS: *U.S. Automakers Learn European Ways*

Continued from Page 7

Beiermeister, executive director of General Motors North American Export Sales in Europe, explaining strong sales gains as the result of targeting market niches, establishing a new, country-specific distribution system and tailoring cars to European driving tastes.

"We're providing specialized vehicles for people who want to do specialized things," agreed E.V. Heidemann, director of European sales and marketing for Chrysler Corp. "But the other reason we've had a modest success — in addition to being in niches — is that we're doing things more for Europeans than we did in the past," he said.

In the first six months this year, sales of General Motors imports in Europe were up 13 percent from a year earlier and Chrysler sales up 8.8 percent. In Germany, the continent's biggest market, GM scored a 52 percent gain and Chrysler 13.3 percent, while sales of most other manufacturers fell sharply.

In Europe, sales of the Voyager minivan have surged since the introduction of two diesel-engine models, which Chrysler does not sell in the United States.

At the International Automotive Fair in Frankfurt, which is to start Thursday, Chrysler plans to launch a car called the Vision that Mr. Heidemann calls the "first-ever Chrysler passenger car that has been designed not only with the U.S. in mind."

"Now we're bringing in passenger cars that are much more attuned to European tastes, and that's where we see a huge growth for Chrysler," he said.

The Americans' gains are largely the result of successes with minivans and four-wheel-drive utility vehicles such as Blazers and Jeeps, which industry sources said cater to a growing group of baby-boomer, "active lifestyle" buyers. Renault is the only European manufacturer with a minivan of its own, the Espace. As U.S. cars shake off their poor image for quality and fuel efficiency, meanwhile, sales of other models are also rising fast.

To be sure, exchange rates currently favor U.S. imports to continental Europe and Japan, and handicap Japanese exports. Significantly, sales of British-built Rovers and Jaguars are also up sharply in Germany.

Sales of U.S. imports in Europe remain tiny in relative terms. "We're selling 20,000 cars in a market of 14 million," said Mr. Beiermeister.

CARS: *EC, Tokyo Reach Accord*

Continued from Page 7

Japanese auto industry. But he said it was "inevitable since the decision takes into consideration the conditions of the EC market, which are worse than what the Japanese and EC governments had initially forecast."

The slump in the EC auto market, which negotiators agreed would fall 15.9 percent in 1992, to 11.73 million units, will affect some Japanese makers more than others. Honda, Nissan and Toyota have the option of boosting local production from plants in Britain, although analysts said they had no plans to do so. In contrast, Mazda and Mitsubishi have yet to set up European plants.

Still, local production facilities cannot fully compensate for the vastly differing success of various makers' models. Sales of Toyota cars, for example, are running at 98 percent of last year's level, compared with a 52 percent figure for Nissan, analysts said.

The export ceiling is based on a 1991 EC-Japan agreement that bought time for the European auto industry to make itself efficient before facing the full force of Japanese competition.

The accord effectively limits the growth of Japanese market share in Europe during a seven-year transition period from the creation of the EC single market this year to the onset of unrestricted access after 1999. Based on the agreed forecast for the EC market, the Ministry of International Trade and Industry gives "administrative guidance" to Japanese carmakers of appropriate export levels.

SEAT Predicts Loss, Blaming Devaluation

Reuters

BARCELONA — SEAT SA will incur a loss this year as a result of devaluations of the peseta, and the Spanish automaker is discussing rescue measures with its parent, Volkswagen AG, SEAT said Sunday.

SEAT said the successive devaluations of the peseta, the most recent of which took place a month ago, had made imported materials expensive. They had also increased the cost of foreign-currency credits contracted in recent years to build a factory and introduce new models, it said.

"All this implies red figures, whose extent is not yet fully defined," SEAT said. This will be the first year the Spanish unit consolidates its results with VW. In 1992, it had a net loss of 12.8 billion pesetas ($96.8 million).

SEAT and VW are discussing selling SEAT's Pamplona factory, which makes VW Polo cars, to the parent company.

A German news magazine, Der Spiegel, said in its issue dated Monday that the plant would change hands for 1 billion Deutsche marks ($620 million).

NASDAQ NATIONAL MARKET

OTC Consolidated trading for week ended Friday, September 3.

	Sales in 100s	High	Low	Close	Net Ch'ge
[illegible]					

Continued on Page 11

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MONDAY SPORTS BASEBALL

Yankees Batter Indians, 7-2

The Associated Press

The New York Yankees, still buzzing a day after Jim Abbott's no-hitter, broke loose for four runs in the first inning and beat the Cleveland Indians, 7-2, on Sunday in New York.

Mike Stanley hit a two-run homer in the opening inning and Randy Velarde's two-run homer made it 6-1 in the second.

The Yankees, who began the day trailing Toronto by one game in the AL East, won for the third time in

AL ROUNDUP

four games. They play the next nine on the road with stops in Texas, Kansas City and Milwaukee.

Bob Wickman wound up the winner in relief of starter Sterling Hitchcock. Wickman took over with two outs in the fifth inning, the bases loaded and New York ahead 6-2, and struck out Albert Belle.

Jim Leyritz and Don Mattingly singled with one out in the first inning off Jeff Mutis (3-6) and Danny Tartabull hit a two-run double. Stanley followed with his 25th home run.

Velarde hit his seventh home run the next inning, and had a sacrifice fly in the seventh. Stanley and Velarde both homered in their second straight game, and each had three of the Yankees' 16 hits.

Belle led off the second with the Indians' first hit in two days and scored on Jim Thome's single. Kenny Lofton hit an RBI single in the fifth.

White Sox 5, Tigers 3: Frank Thomas and George Bell each hit home runs as surging Chicago defeated the Tigers and to swept the three-game series in Detroit.

In the sweep, Thomas and Bell hit five homers and drove in 16 runs combined. The first game of the series was also Bell's first off the disabled list, but he went 6-for-13 with three homers and nine RBIs.

The first-place White Sox have won eight of nine games, while the Tigers have lost five straight to fall out of the AL East race.

Wilson Alvarez (11-8) allowed two runs and five hits in seven innings, walking two and striking out eight for his third straight win. Jose DeLeon and Roberto Hernandez pitched one inning each, with Hernandez recording his 33rd save.

Royals 5, Red Sox 2: Gary Gaetti hit the first grand slam ever off struggling Roger Clemens as Kansas City swept the Red Sox in Boston.

The Royals, who won all six of their games in Boston this season, scored five runs in the sixth inning. Brent Mayne walked with the bases loaded and two outs to tie the score, 1-1, and Gaetti followed with his seventh career grand slam.

Clemens (10-12) fell two games below .500 for the first time since he was 4-6 in June 1987. He has lost four straight decisions.

The right-hander has lost six of his last seven decisions overall and is 0-4 with a 7.98 earned run average in his last five Fenway starts. He is 5-8 with a 4.95 ERA at home this season.

In games played Saturday:

White Sox 11, Tigers 2: In Detroit, George Bell homered for the second straight day and drove in five runs as torrid Chicago handed Detroit its fourth straight loss.

Royals 4, Red Sox 2: In Boston, Brian McRae homered and Kevin McReynolds tripled as Kansas City scored all its runs in the ninth inning in support of David Cone.

McRae tied the score with a shot into the right-field bullpen after Greg Gagne led off with a double. After Mike Macfarlane walked with one out, McReynolds tripled and scored on Gary Gaetti's sacrifice fly.

Orioles 6, Athletics 3: Chris Hoiles hit a two-run homer in a four-run sixth inning in Oakland, California, as Baltimore extended its winning streak to six games and Oakland's slide to five.

With two out in the sixth, Harold Baines and Cal Ripken singled, the latter taking second on right fielder Ruben Sierra's error before Mike Pagliarulo singled them in.

Rangers 6, Twins 4: Juan Gonzalez took the major-league lead with his 41st home run and Julio Franco followed with his 100th career homer, helping Kevin Brown and Texas win in Minneapolis.

Angels 4, Blue Jays 2: Eduardo Perez hit a bases-loaded triple to support Joe Magrane's first victory in nearly two months as California beat visiting Toronto.

Magrane picked up his first AL victory in his third start for the Angels, who signed him on Aug. 19 following his release by St. Louis. He had not won since July 7.

Mariners 6, Brewers 1: In Seattle, Tim Leary scattered seven hits over 8 plus innings and got all the run support he needed when the first three Seattle batters scored against Milwaukee.

Abbott Gets A No-Hitter For Yankees

By Jennifer Frey
New York Times Service

NEW YORK — Jim Abbott's goal heading into the game at Yankee Stadium was to be competitive, not to self-destruct.

He did much better: Abbott, 25, became the eighth pitcher in the 90-year history of the Yankees' franchise to throw a no-hitter when he blanked the Cleveland Indians, 4-0, on Saturday.

The no-hitter was the first for Abbott, who was born with one hand but went on to be a star pitcher at the University of Michigan and in the Olympics before embarking on an outstanding professional career.

"I think no-hitters take a little bit of luck," said Abbott, who walked five batters but never allowed a base runner beyond first. "To be honest, I can hardly tell you the difference, other than a little bit more command on my breaking ball, between this start and the last one."

With the crowd of 27,225 on its feet and screaming, Abbott was in supreme control in the ninth inning, ignoring Kenny Lofton's attempt to bunt — a decision that enraged the crowd — and facing down Carlos Baerga, the Indians' best hitter, for his final out.

After Lofton grounded to second and Bernie Williams chased down Felix Fermin's fly to deep center, Baerga grounded softly to short, Randy Velarde cleanly fielded the ball and threw to Don Mattingly to end the game.

Mark D. Phillips/Agence France-Presse

Jim Abbott after the last out: "A little bit of luck."

"I did not know how to act out there," said Abbott, who six days earlier in Cleveland had given up 10 hits and 7 runs in 3⅓ innings. "I didn't know whether to be supremely confident or supremely thankful. I guess it's a little bit of both."

Staked to a comfortable lead by the third inning this time, Abbott settled down and got the Indians on grounder after infield grounder, with the occasional walk and a couple fly balls.

Going into the ninth, the only truly close fielding play came with one out in the seventh, when Wade Boggs dived to his left to stab Albert Belle's grounder and beat Belle with the throw. Abbott turned and waved his glove in Boggs' direction: Boggs easily fielded a grounder from the next batter, Randy Milligan.

Justice's Homer Gives Braves Sweep of Padres

The Associated Press

David Justice hit his 36th home run, a two-run shot in the eighth inning, as the Atlanta Braves rallied Sunday to beat the visiting San Diego Padres, 3-2, for a three-game sweep.

It was Atlanta's fourth consecutive victory and 21st in 25 games as the Braves continued to keep the pressure on the front-running San Francisco Giants in the National League's West Division.

Justice's homer to right field off Pedro Martinez followed a walk to Fred McGriff. It was Justice's sixth RBI in the series and his 20th in 14 games, giving him 102 on the season. He has seven homers in his last 11 games.

Greg Maddux won his fifth consecutive start and 10th in 11 decisions. The right-hander allowed six hits, walked four and struck out seven in recording his league-leading eighth complete game.

The Padres' starter, Tim Worrell, gave up eight hits, walked two and struck out three in 6⅔ innings.

Astros 7, Expos 1: In Houston, Mark Portugal pitched five-hit ball over eight innings to run his personal winning streak to a career-best eight games as the Astros ended Montreal's nine-game winning streak.

The victory gave Portugal (14-4) a career high for victories. He is 8-0 in his last 11 starts and 9-1 at the Astrodome this season. Doug Jones finished for Houston.

Luis Gonzalez led the Astros with a home run, his career-high 13th, two doubles and two RBIs.

Marlins 4, Dodgers 3: Walt Weiss's sacrifice fly broke an eighth-inning tie as the Marlins rallied to beat Los Angeles in Miami.

Gary Sheffield had three hits and scored twice for the Marlins, and Jeff Conine had two hits and scored two runs. Sheffield and Conine are a combined 34-for-66 against Los Angeles this year.

Florida's Matias Carrillo, making his second major-league start, singled Conine home to make it 3-3 in the eighth. Todd Worrell then relieved Roger McDowell (4-3), and one out later, Orestes Destrade walked to load the bases. Weiss then hit his fly to right field.

Cubs 2, Mets 1: Pinch-hitter Glenallen Hill's two-run homer with one out in the bottom of the ninth gave Chicago the victory, as the Cubs rallied late in the game again to beat visiting New York.

It was the last-place Mets' 90 loss of the season against 47 victories.

Hill's homer, his fifth since being acquired from Cleveland last month, came off of reliever John Franco (3-2). Franco lost his second game in two days. Franco blew Saturday's game, a 9-8 loss, giving

NL ROUNDUP

up two runs in the bottom of the eighth. He has blown five saves in 14 opportunities this season.

Mark Grace led off the ninth inning with a walk, and after Sammy Sosa fanned, Hill, batting for Rick Wilkins, hit a 2-1 pitch into the left-field stands.

■ *In Saturday's games:*

Braves 3, Padres 2: Terry Pendleton hit a homer and Justice drove in two runs with a bases-loaded single as the Braves won the second game of the series.

It was the Braves' third consecutive victory, 11th in 13 games and 20th in 24 in their chase of the first-place Giants in the NL West. The Braves remained 3½ games behind San Francisco because the Giants won in St. Louis.

Giants 3, Cardinals 1: J.R. Phillips tripled and hit a two-run homer in his first two major-league at-bats, and rookie Solomon Torres won his second straight for San Francisco.

Phillips, called up from Triple-A Phoenix on Friday, hit a two-run homer in the fifth inning after Barry Bonds doubled off starter Rene Arocha.

Torres, making only his second major league start, allowed eight hits with two walks in eight innings.

Expos 7, Astros 5: Ken Hill pitched a strong game and had a two-run double as Montreal extended its winning streak to nine games by beating the slumping Astros in Houston.

Marquis Grissom and Rondell White had two-run homers — White's first in the major leagues — as the Expos handed the Astros their seventh loss in nine games. Hill allowed seven hits in 8 plus innings.

Ken Caminiti's RBI double chased Hill, and Jeff Bagwell and Rick Parker added RBI singles against reliever Brian Barnes. Then, with Mel Rojas pitching, center fielder Grissom erred for a run on a fly ball by Casey Candaele.

Dodgers 9, Marlins 4: Eric Karros had a career-high four hits, four RBIs and one of three Los Angeles home runs in support of a hitless Orel Hershiser in Miami.

Karros and Cory Snyder, who also homered along with Henry Rodriguez, broke out of batting slumps. Karros went 4-for-5 after entering the game 3-for-17 on the fifth game of a road trip that was ending Sunday. Snyder, who went 2-for-4 with a walk, came in 4-for-17 on the trip.

Hershiser pitched eight innings plus and won his third consecutive start by allowing eight hits, striking out four and walking one.

Reds 6, Phillies 5: Philadelphia couldn't overcome Jose Rijo's career-high four RBIs and seven strong innings in Cincinnati.

Rijo gave up one run in seven innings and had a two-run single and a two-run double off Danny Jackson to snap the Phillies' three-game winning streak.

Cubs 9, Mets 8: Shawon Dunston's first hit in 16 months — an eighth-inning double — tied the game, and he scored the winning run on Sammy Sosa's single as the Cubs overcame five New York homers in Chicago.

Rockies 10, Pirates 4: Charlie Hayes had three hits, including the game-winning single in the fifth, and Andres Galarraga knocked in two runs with a homer and double as Colorado Rockies rallied past visiting Pittsburgh.

NASDAQ NATIONAL MARKET

OTC Consolidated trading for week ended Friday, September 3.
(Continued)

MONDAY SPORTS SOCCER

UEFA Gets Marseille Case as French Pass

Compiled by Our Staff From Dispatches

PARIS — Olympique Marseille will likely find out Monday whether the bribery allegations hanging over the French soccer club will lead to its being banned from this season's Champions' Cup tournament.

The French league's disciplinary commission having again said it lacks enough information to penalize anyone, despite daylong questioning of the principals in case, center stage will move to the European governing body's headquarters in Zurich. At that meeting, which FIFA officials will also attend, the UEFA executive committee, without waiting for a decision from French officials, is expected to rule on whether Marseille can defend its European title.

The French league's disciplinary committee, after a nine-hour meeting Saturday, said that it still did not " have at its disposal sufficient evidence" and had decided to postpone its ruling.

The announcement left the future of both Marseille and the French national team in doubt, since FIFA has threatened to ban France from international soccer if the Marseille case is not resolved by Sept. 23.

A key figure in the case, Marseille player Jean-Jacques Eydelie, did not turn up at Saturday's hearing. His lawyer said Sunday that Eydelie was in Argentina, and other sources close to Eydelie said he was seeking a contract with an Argentinian club.

The absence of Eydelie, who has said that he was involved in an attempt to bribe Valenciennes players before a league match last May, deprived the commission of key evidence. But league officials said privately that the continuing criminal investigation is the main reason they cannot act.

Valenciennes defender Jacques Glassman, who accused Marseille of rigging the May 20 match, was the first to arrive at the league's headquarters in Paris.

He was followed by former teammates Christophe Robert and Jorge Burruchaga and Boro Primorac, Valenciennes's former coach.

Robert, Burruchaga, Eydelie and Marseille's former general manager, Jean-Pierre Bernès, who arrived at the hearing later, are under judicial investigation for alleged bribery.

Eydelie has said Bernès gave him 250,000 francs ($50,000) to hand over to the Valenciennes players. They also have said Bernès offered them the bribe.

The Marseille team's owner, Bernard Tapie, was the last to arrive at the hearing, after his Valenciennes's counterpart, Michel Coencas.

Speaking about UEFA's ruling Monday, Tapie said, "I'm confident. I know UEFA a bit. They make strict and severe decisions but only when they have evidence in their hands."

Glassmann said he told the committee what he had told Judge Bernard Beffy, who is in charge of the judicial probe.

"We repeated all we had told the judge," Glassmann said. "It's a pity that Jean-Jacques Eydelie did not appear."

But Bernès, who has denied involvement, said "there isn't a single truth" in the allegations. "In a few weeks we'll know other truths. There will be surprises."

Tapie said the committee "asked me questions, and I tried to answer as honestly as possible, even if it's sometimes hard to remember things that happened four months earlier."

"But I remain serene in spite of everything," he added. "There is nothing in the dossier at the moment to prove Marseille's guilt in any corruption case."

UEFA's executive committee is expected to base its decision in large part on the testimony at Saturday's hearings. FIFA's president, João Havelange, is due to meet the French league's chairman, Jean Fournet-Fayard, before Monday's session.

Marseille is scheduled to play the Greek club AEK Athens in an opening European Cup match on Sept. 15. *(AFP, Reuters, AP)*

SIDELINES

Motorcycle Champion Badly Hurt

MISANO, Italy (AFP) — World motorcycling champion Wayne Rainey of the United States was severely injured Sunday in a crash at the Italian Grand Prix, which was won by his Suzuki teammate, Luca Cadalora of Italy.

A doctor said Rainey had broken the fourth and fifth vertebrae in his neck when he crashed on the 11th lap as he was leading the race. Rainey was taken by helicopter to the nearest hospital, at Cesena, after emergency treatment at the track.

IOC Official Denies Sydney Report

SYDNEY (Reuters) — Mario Vázquez Rana, a senior Olympic official, denied Sunday a report that he had told Australian Prime Minister Paul Keating that Sydney was the frontrunner to stage the 2000 Games.

"I did not say you were going to win. I said you had everything for winning," said the president of the Association of National Olympics Committees.

• Slovakia, competing in Sheffield, England, in its first major international tournament, qualified for the 1994 Winter Olympic Games' hockey competition with a 7-1 rout of Britain. *(AP)*

• Heike Henkel of Germany, the Olympic high jump champion, is 14 weeks pregnant but hopes to compete in the 1996 Olympics in Atlanta, her husband and manager, Rainer, announced in Bonn. *(AFP)*

Dutch Win Yachting's Nations Cup

HOORN, Netherlands (AP) — Roy Heiner skippered the Netherlands to a 3-1 victory in the Nations Cup yacht racing grand final as the Dutch consistently outmaneuvered Neville Wittey and his Australian team in the pivotal prerace joust in their best-of-5 series.

France, captained by Bertrand Pace, finished third by beating tournament favorite Peter Holmberg and his U.S. Virgin Islands team, 2-0. Sweden, with Helena Strang at the helm, won the women's event by beating Keiko Nogami's Japanese team, 3-2.

Jordan Case Judge Curbs Press Leaks

LUMBERTON, North Carolina (AP) — The judge in the James Jordan murder case has warned defense attorneys, prosecutors and court personnel not to talk to the press.

However, Robeson County District Court Judge Robert Frank Floyd made no immediate decision Friday on a request that law enforcement officers also be barred from talking about the case. And he scheduled another hearing for Sept. 17 on a defense motion that some court proceedings involving the two teenagers accused of killing Michael Jordan's father be closed.

• Jordan is the most popular athlete among Australian youngsters, according to a survey, released Sunday, of more than 600 students at high schools across Queensland state.

NFL Compromises on Rookie Pacts

NEW YORK (AP) — The NFL and the NFL Players Association have reached agreement on rookie salary rules that will permit first-round draft picks Rick Mirer and Garrison Hearst to play under their 1993 contracts with stipulations.

Their contracts contained easily reached incentives the league said circumvented the rookie salary pool. Under a compromise, the incentives in the multiyear contracts of Seattle's Mirer and Phoenix's Hearst will be allowed and not counted against the rookie salary pool, but will be applied to any future salary cap.

• Defensive end Neil Smith ended his holdout, signing a series of one-year contracts in time to join the Kansas City Chiefs for their opener. Smith, the team's designated franchise player this season, will be paid at least $1.7 million under the NFL's new collective-bargaining agreement.

For the Record

Thierry Boutsen of Belgium, announcing his retirement after 10 years and three victories on the Formula One circuit, said he may start racing Indy cars next year. *(AP)*

Stephen Roche, 33, of Ireland, the former Tour de France champion, announced his retirement from professional cycling. *(AFP)*

Lane Wins European Masters Golf

Reuters

CRANS-SUR-SIERRE, Switzerland — Barry Lane of Britain captured the European Masters golf title on Sunday, with Seve Ballesteros of Spain surging into a second-place tie.

Lane, who will make his Ryder Cup debut against the United States at The Belfry, England, in the bienniel team event Sept. 24-26, carded a closing 2-under-par 70 to nose out the fast-finishing Ballesteros by a stroke.

The Spaniard, showing much of the form that has eluded him this year — and that he had promised to recapture before the Ryder Cup — shot 6-under-par 66 tie his compatriot, Miguel Angel Jiménez, for second place.

Jiménez led Lane by two strokes after a 9-under-par 63 on Saturday but managed only a final-round 73.

Lane made sure of victory with a 30-foot (9-meter) birdie putt at the 17th and held off Ballesteros, who birdied the last three holes.

The victory for Lane, 33, was his first this year and his first since the German Masters almost a year ago.

Ballesteros hooked his final drive badly, the ball coming to rest six feet from a seven-foot-high wall between him and the green 130 yards away.

The three-time British Open champion decided he had enough just room to hit over the wall and executed the shot perfectly, the ball landing just short of the green where, from 18 yards away, he chipped into the hole.

"I know it was risky," he said. "A few years ago I tried the same in the U.S. PGA, hit the wall and nearly killed myself."

• Billy Mayfair took a one-shot lead into Sunday's final round of the Greater Milwaukee Open.

He mastered a changing breeze for a 3-under-par 69 on Saturday, breaking a four-way tie for the lead when he birdied 18 after hitting a 7-iron second shot within three feet. He had a one-stroke lead over defending champion Richard Zokol, Mark Calcavecchia and Jim McGovern. Calcavecchia had a 67, Zokol 68 and McGovern 69.

Steve Pate, Ken Green, Ronnie Black, Gil Morgan, Bruce Leitzke, Donnie Hammond and Ted Schulz were two shots back.

SCOREBOARD

Major League Standings

(Through Saturday's Games)

AMERICAN LEAGUE

East Division	W	L	Pct.	GB
Toronto	78	59	.569	—
New York	77	60	.562	1
Baltimore	74	62	.544	3½
Detroit	71	66	.518	7
Boston	69	65	.515	7½
Cleveland	65	71	.478	12½
Milwaukee	59	79	.428	19½
West Division				
Chicago	77	58	.570	—
Texas	71	64	.526	6
Kansas City	71	65	.522	6½
Seattle	68	67	.504	9
California	61	74	.452	16
Minnesota	57	78	.422	20
Oakland	52	82	.388	24½

NATIONAL LEAGUE

East Division	W	L	Pct.	GB
Philadelphia	84	51	.622	—
Montreal	76	60	.559	8½
St. Louis	73	62	.541	11
Chicago	66	70	.485	18½
Pittsburgh	62	73	.463	21½
Florida	56	79	.415	28
New York	47	89	.346	37½
West Division				
San Francisco	88	47	.652	—
Atlanta	85	51	.625	3½
Houston	70	65	.519	18
Los Angeles	69	65	.515	18½
Cincinnati	67	70	.489	22
San Diego	53	83	.390	35½
Colorado	52	84	.382	36½

Friday's Line Scores

AMERICAN LEAGUE

Kansas City 010 201 010—5 8 0
Boston 000 000 100—1 4 0

Appier, Brewer (7), Belinda (7), Montgomery (8) and Macfarlane; Darwin, Dopson (6), Taylor (8), Quantrill (8), Fossas (9) and Melvin, Pena (9). W—Appier, 15-6. L—Darwin, 13-10. HRs—Kansas City, McRae (11), Brett (15), Joyner (15). Boston, M.Vaughn (22).

Chicago 008 250 100—8 11 0
Detroit 000 020 130—6 8 1

[illegible]

verus (8), King (8), Power (9), Plantenberg (9), J.Nelson (9), Bro.Holman (9), D.Henry (12) and Valle, Howard (11). W—Orosco, 2-2. L—Bro.Holman, 0-1. Sv—Maysey (1). HR—Seattle, Buhner (24).

Baltimore 012 100 000 000 1—5 9 1
Oakland 002 010 000 000 0—4 ? ?

(12 innings)

[illegible]

Saturday's Line Scores

[illegible]

Japanese Leagues

Central League

	W	L	T	Pct.	GB
[illegible]					
Hiroshima	42	46	1	.478	9
Yokohama	45	57	0	.441	12

Saturday's Results

Yomiuri 5, Yakult 0
Hanshin 3, Chunichi 2
Yokohama 4, Hiroshima 1

Sunday's Results

[illegible]

Pacific League

[illegible]

FOOTBALL

Major College Scores

[illegible]

Notre Dame 27, Northwestern 12
Ohio St. 34, Rice 7
SW Missouri St. 24, SE Missouri 10
Valparaiso 27, St. Ambrose 20
Wisconsin 35, Nevada 17

SOUTHWEST

Arkansas 10, Southern Meth. 4

[illegible]

Canadian League

[illegible]

SOCCER

DUTCH FIRST DIVISION

[illegible]

Leverkusen, 9; 5. Bayern Munich, 8; 6. MSV Duisburg, 8; 7. Borussia Dortmund, 7; 8. Kaiserslautern; 7; 9. Cologne, 6; 10. VfB Stuttgart, 5; 11. SC Karlsruhe, 5; 12. Bor. Moenchengladbach, 5; 13. Wattenscheid, 4; 14. VfB Leipzig, 3; 15. Freiburg, 3; 16. Dynamo Dresden, 3; 17. Schalke; 2; 18. Nuremberg, 2;

ITALIAN FIRST DIVISION

Cagliari 1, Udinese 2
Cremonese 2, Napoli 0
Foggia 1, Internazionale 1
AC Milan 1, Genoa 0
Parma 1, Lecce 0
Roma 2, Juventus 1
Sampdoria 2, Piacenza 1
Torino 2, Atalanta 1

Standings: 1. (tie) Torino, 4; 2. AC Milan, 4; 3. Parma, 4; 4. Sampdoria, 4; 5. Internazionale, 3; 6. (tie) Atalanta, 2; 7. Cremonese, 2; 8. Genoa, 2; 9. Foggia, 2; 10. Juventus, 2; 11. Udinese, 2; 12. Roma, 2; 13. Lazio, 1; 14. (tie) Reggiana, 0; 15. Lecce, 0; 16. Napoli, 0; 17. Cagliari, 0; 18. Piacenza, 0;

SPANISH FIRST DIVISION

Osasuna 1, Real Madrid 4
Barcelona 3, Real Sociedad 0
Tenerife 1, Lleida 0
Racing 1, Rayo Vallecano 0
Atletico de Madrid 1, Logrones 0
Oviedo 0, Valencia 3
Deportivo de La Coruna 0, Celta 0
Valladolid 0, Sporting de Gijon 1
Zaragoza 1, Sevilla 2
Athletic de Bilbao 4, Albacete 1

WORLD CUP QUALIFIER

European Group

Portugal 2, Estonia 0

GOLF

Leading scores Sunday after the final round of the the 1.4 million Swiss franc (dlrs 960,000) European Masters, played on the 6,745-yard (6,166-meter), par-72 Plan Bramois course in Crans, Switzerland:

Barry Lane, England,	69-67-64-70—270
Seve Ballesteros, Spain,	71-66-68-66—271
Miguel Angel Jimenez, Spain,	67-68-63-73—271
P.U. Johansson, Sweden,	71-64-68-69—271
Howard Clarke, England,	67-70-66-70—273
Darren Clarke, N. Ireland,	69-66-71-68—274
Gary Orr, Scotland,	69-68-68-69—274
Colin Montgomerie, Scotland,	66-72-69-68—275
Nick Faldo, England,	65-70-69-71—275
Torsten Giedeon, Germany,	68-69-69-70—276

TRANSACTIONS

BASKETBALL

National Basketball Association

NEW JERSEY—Bernard King, forward, retired.

SEATTLE—Traded Dana Barros, guard, and Eddie Johnson, guard-forward, to Charlotte for Kendall Gill, guard.

CRICKET

THIRD ONE-DAY INTERNATIONAL

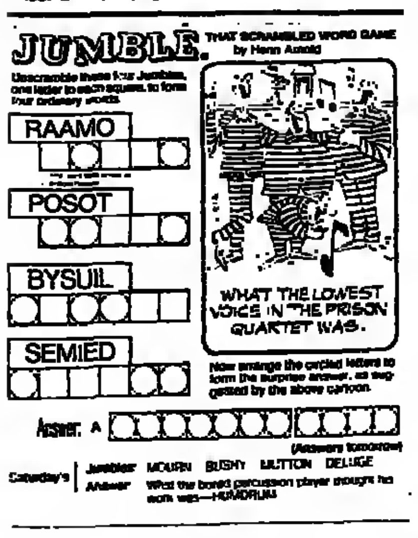
Sri Lanka vs. South Africa

Saturday, in Colombo, Sri Lanka

Sri Lanka: 198-9 (50 overs)
South Africa: 154 (46.1 overs)
Sri Lanka won by 44 runs

DENNIS THE MENACE

"WE HAVE A LOT IN COMMON, DON'T WE? I'M TOO YOUNG TO DO MOST EVERYTHING AND YOU'RE TOO OLD TO DO MOST EVERYTHING."



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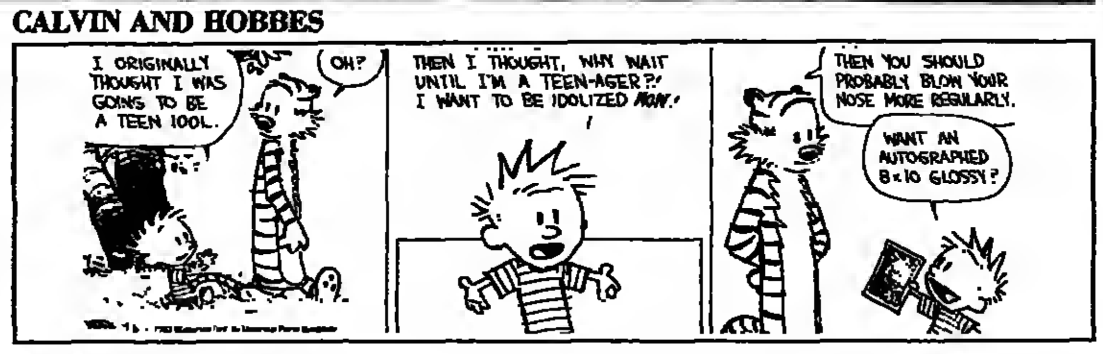

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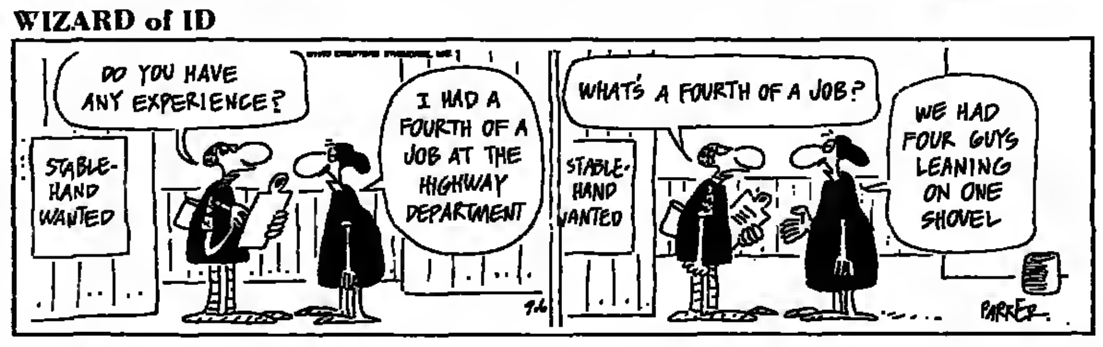

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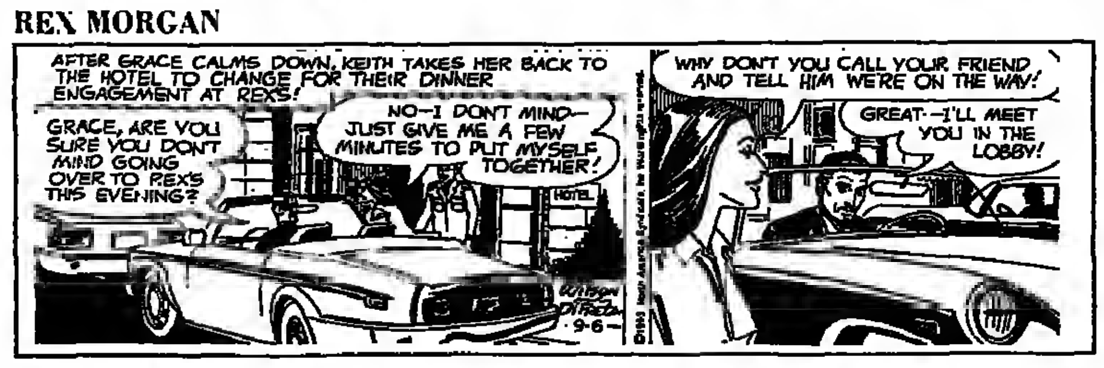


GARFIELD

هكذا من الأصل

MONDAY SPORTS U.S. OPEN

TD Passes By Young Help 49ers Win Easily

The Associated Press

Steve Young had to persuade the San Francisco 49ers he could play Sunday with a broken thumb on his passing hand. He didn't have to convince the Pittsburgh Steelers.

Young won n battle of unhealthy quarterbacks, throwing three touchdowns passes in a mirror-image performance of his 1992 most

NFL ROUNDUP

valuable player season in the National Football League to lead the 49ers to a 24-13 victory in Pittsburgh.

Young, not given the go-ahead to play until midweek, threw two touchdown passes to all-time NFL scoring receptions king Jerry Rice following Steelers turnovers as the 49ers took a 17-0 lead in less than 16 minutes.

Rice made TD catches of 5 and 6 yards in a 5:15 span of the first half — the record 104th and 105th of his career — and ended with eight receptions.

Young, who was 24-for-36 for 240 yards and three interceptions, later hit Brent Jones on a 5-yard scoring pass following a disputed encroachment penalty on Pittsburgh that TV replays appeared to show was incorrect.

Blitzing, sacking and harassing the Steelers' starter, Mike Tomczak, to the sidelines with a rebuilt defensive line, the 49ers withstood a second-half comeback by sore-armed Neil O'Donnell.

O'Donnell, not expected to play because of a painful bout of elbow tendinitis, directed scoring drives on his first two possessions as Barry Foster's 5-yard touchdown run and two Gary Anderson field goals made it 17-13 with 2:34 left in the third. O'Donnell was 9-for-16 for 92 yards and Foster, who had rushed for at least 100 yards in nine straight home games, had 80 yards on 17 carries.

Young, who kept the Steelers in the game by throwing interceptions to Rod Woodson on consecutive third-quarter passes, went 5-for-5 for 55 yards on the 80-yard drive ended by Jones's scoring catch with 11:59 to play.

The play before, 49ers right tackle Harry Boatswain appeared to jump offside on third-and-9 from the 10 but referee Gordon McCarter called linebacker Kevin Greene for encroachment although there was no contact along the line of scrimmage.

Packers 36, Rams 6: In Milwaukee, Brett Favre had his choice of receivers — among them record-setter Sterling Sharpe — and divvied up the passes as Green Bay routed Los Angeles.

Sharpe, who set an NFL record with 108 catches last season, grabbed seven more for 120 yards, including a 50-yard touchdown on a tipped pass. Jackie Harris caught five passes for 92 yards and Mark Clayton scored his first Green Bay touchdown on a short pass.

The Packers scored on their final possession of the first half and first two of the third quarter, and their defense stifled the Rams.

Chiefs 27, Bucs 3: Joe Montana, operating the same offense he ran for 14 years with the 49ers, completed his first nine passes and finished 14-for-21 for 246 yards in Tampa, Florida, in his first start since being sidelined by an elbow injury more than two years ago.

He threw touchdown passes of 19 yards to Willie Davis, 50 yards to J.J. Birden and 12 yards to Marcus Allen, who made his debut for Kansas City after 11 seasons with the Los Angeles Raiders.

Montana, acquired from San Francisco in an offseason trade, left the game late in the third quarter with a bruised right wrist. X-rays taken in the locker room were negative and he returned to the field to watch backup Dave Krieg finish the job.

While Montana's debut was a smashing success, his longtime friend and first roomate with the 49ers, Steve DeBerg, had a long day for Tampa Bay, which struggled offensively after taking n 3-0 lead.

Montana, who was 23-for-37 for 288 yards and two TDs in preseason, was sharp from the outset. He began with a swing pass to Harvey Williams and showed he can still throw deep with completions of 49 yards to Jonathan Hayes and the long TD throw to Birden.

A 37-yard pass interference penalty against Tampa Bay's Ricky Reynolds aided Montana's first scoring drive, and the 37-year-old quarterback was on target on two of his first three incompletions — hitting receivers just out of bounds.

Broncos 26, Jets 20: Glyn Milburn, in his NFL debut, helped visiting Denver win in East Rutherford, New Jersey, as New York pitched in with three turnovers leading to nine points.

Milburn had a 15-yard run to spark Denver's first TD drive; ran 50 yards down the sideline, faking out Ronnie Lott on a third-and-19 play; went 25 yards with a short pass for Denver's second touchdown; and returned a punt 36 yards.

Bills 38, Patriots 14: The effort was much better, the result the same in Orchard Park, New York, as New England hung in with Buffalo for three quarters before losing in the debuts of coach Bill Parcells and quarterback Drew Bledsoe.

Bledsoe, the first overall pick in last spring's draft, looked impressive at times, but not consistent enough to make winners of the Patriots — who have averaged 13 losses over the last three seasons.

The difference in the game was a familiar one for Buffalo: Jim Kelly to Andre Reed. Those two, with the most touchdown connections of any active quarterback-receiver combination in the NFL, added three more scores to bring their career collaboration to 47 touchdowns.

Eagles 23, Cardinals 17: In Philadelphia, the Philadelphia Eagles made good on coach Rich Kotite's boast that despite mass defections to free agency they would be as good or better than last season's playoff team, beating the Phoenix Cardinals.

Randall Cunningham completed 18-of-29 passes for 192 yards and scrambling for 50 more, including a 9-yard touchdown.

Coach Joe Bugel used quarterbacks Steve Beuerlein and Wes Chandler, but both were relatively ineffective.

Beuerlein completed 7-of-19 for 93 yards and Chandler 8-of-20 for 96.

Browns 27, Bengals 14: Led by a ferocious defense that sacked David Klingler six times, forced two fumbles and intercepted two passes, the Browns rallied past the Cincinnati Bengals in Cleveland.

The Browns, sparked by Selwyn Jones's two interceptions, Michael Dean Perry's two sacks and Everson Walls sack and forced fumble, clinched the game when Stevon Moore returned a Klingler fumble 22 yards for a touchdown early in the fourth quarter. The play occurred after Walls jarred the ball loose on an all-out blitz.

Lions 30, Falcons 13: Detroit, with a rebuilt offensive line and linebacker Pat Swilling leading the defense, dominated the Atlanta Falcons in Pontiac, Michigan.

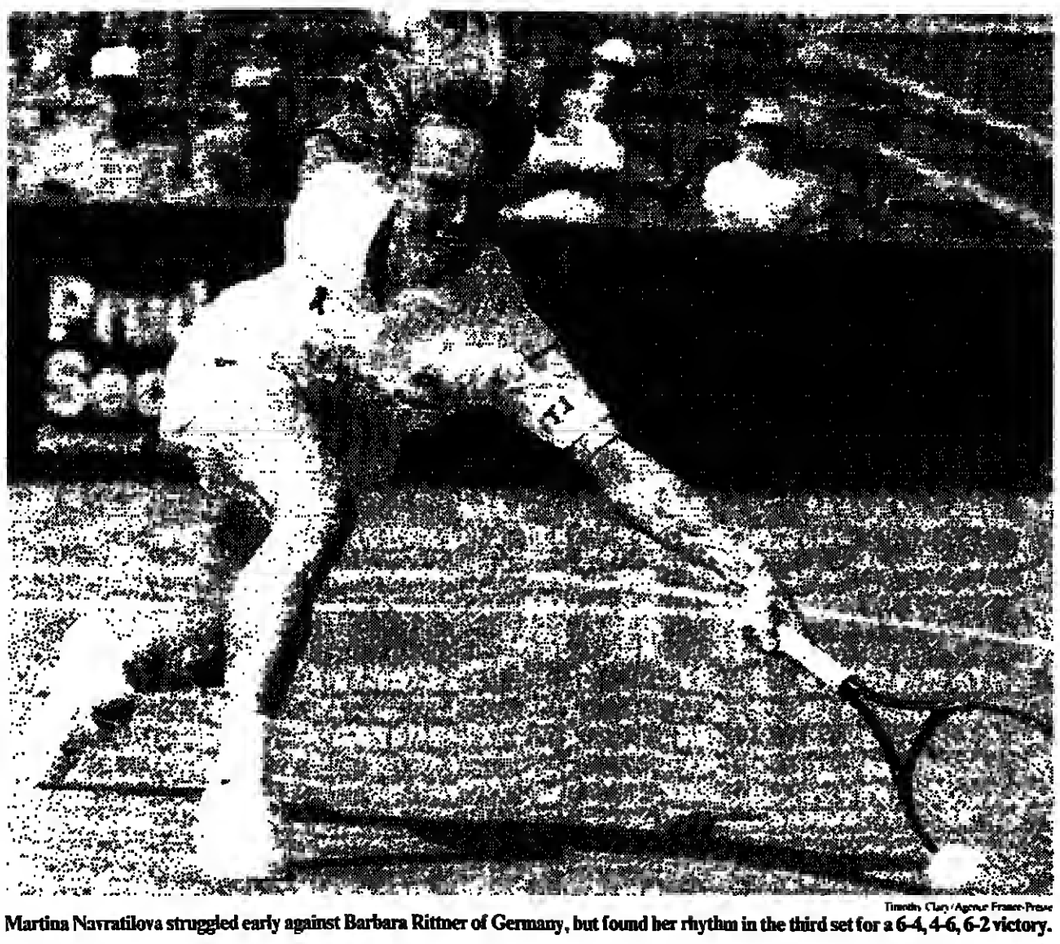
The Lions now have one of the most expensive offensive lines in the NFL, with contracts totaling $18 million across the front five. It made life easier for Barry Sanders, who gained 90 yards on 26 carries, including a 26-yard touchdown run.

The Lions, a 5-11 team last season, signed Swilling as a free agent to give them a pass rush — which he did. There just 1:41 left in the first half before the Falcons finally crossed midfield.

Dolphins 24, Colts 20: Dan Marino took Miami 80 yards in the closing minutes, and a 1-yard touchdown pass to Greg Baty with 35 seconds to go lifted the Dolphins over the Colts in Indianapolis.

The Colts took a 20-17 lead on Jack Trudeau's 25-yard touchdown pass to rookie Sean Dawkins early in the fourth quarter and a 33-yard field goal by Dean Biasucci with 5:04 remaining.

But Marino, who has engineered 25 fourth-quarter comeback victories in his career, hit eight straight passes after missing the first on the winning drive for the Dolphins. Four of the completions went to rookie Terry Kirby, whose 11-yard reception took the Dolphins to the 6 with 1:17 to go. Keith Byars ran to the 1, and after no gain by Kirby, Marino hit Baty for the touchdown.



Timothy Clary/Agence France-Presse

Martina Navratilova struggled early against Barbara Rittner of Germany, but found her rhythm in the third set for a 6-4, 4-6, 6-2 victory.

Becker Is Easy Victor, And Novotna Is Toppled

Compiled by Our Staff From Dispatches

NEW YORK — Fourth seed Boris Becker won his third match in four days on Sunday to move into the round of 16 at the U.S. Open tennis championships.

The three-time Wimbledon champion appeared to be going through the motions at times during his third-round match, but it was good enough to dispose of 158th ranked Chilean baseliner Sergio Cortes, 6-4, 6-4, 6-3.

The women's fourth round opened with an upset when Japan's Kimiko Date bounced eighth-seeded Wimbledon runner-up Jana Novotna, 6-4, 6-4, to reach her first ever Grand Slam quarter-final.

The rain-postponed third round concluded earlier on Sunday with second seed Arantxa Sánchez Vicario and third seed Martina Navratilova advancing.

Four-time champion Navratilova struggled to a 6-4, 4-6, 6-2 victory over Barbara Rittner of Germany.

Sánchez, last year's runner-up, crushed the American Chanda Rubin, 6-0, 6-1, in 45 minutes, dropping just eight points in the lightning fast first set.

Sanchez next plays 14th seed Nathalie Tauziat, while Navratilova will face 12th seed Helena Sukova.

Andrei Medvedev of Ukraine, seeded eighth, took his place in the round of 16 with a 6-1, 6-4, 7-6 win over Karsten Braasch of Germany.

After not getting started until the fourth day of the tournament due to unfavorable scheduling and rain delays, Becker has hit his stride here with back-to-back straight-set wins.

"I'm playing very solid serve and volley, the type of game I try to play from the beginning here," said the 1989 champion after 2 hour, four minute match.

"I've lost my serve once in the last six sets which happened just a couple of minutes ago," he said of a loose service game when he was serving for the match, leading 5-2 in the final set.

Becker, who hit almost double the winners as Cortes but more than twice as many errors, broke the Chilean once in each of the first two sets and three times in the third.

His final break came right after he lost his own serve when he wrapped up the match with an excellent approach that set up an overhead smash on the second match point.

The German star, who was expected to play Ivan Lendl in the fourth round and Goran Ivanisevic in the quarters, now has a clear path to the semifinals without playing a single seeded player along the way, due to the rash early upsets.

"It's happened before," he said. "With the depth of men's tennis, these guys who've reached the top 60, 70 can beat the top 10 players in the world."

Becker's fourth round opponent will be the 60th-ranked Swede Magnus Larsson, who ousted the Australian Richard Fromberg, 6-2, 7-5, 7-6.

Medvedev, who has dazzled journalists at the Open with his witty and wide-ranging postmatch comments, dazzled Braasch with his tennis. Braasch also appeared to be limping.

Medvedev said he was troubled by his opponent's unorthodox serve, but the tournament's No. 8 seed had no problems posting the third-round victory.

In a men's third-round match, Wally Masur of Australia beat Javier Sánchez, Arantxa's brother, 6-1, 7-5, 7-6 (7-3).

Rittner, ranked 40th in the world, controlled the points early in her match against Navratilova, the No. 3 seed. And although Navratilova captured the opening set, it appeared her German opponent was much the stronger physically and mentally.

Rittner leveled the match at one set apiece, the set point coming on a backhand crosscourt volley, the type of shot that carried Navratilova to more career titles than any other player, 165. But Navratilova, 36, was more than equal to the task, winning the one-hour, 41-minute battle, her 89th U.S. Open match victory. She is third on the all-time victory list, behind Chris Evert with 101 and Jimmy Connors at 98.

"I can still play," Navratilova said. "It's such a treat to be out there."

"I didn't let it flow out there," Navratilova said. "She played differently. She's a good baseline player, but she comes in a lot. She was mixing it well with a lot of spin. The points were fast and I didn't get my body going or my feet going. I let it rip at the end. If I'm going down, I'm going down with my best stuff."

On Saturday night, Pete Sampras ruled the Stadium court, Michael Chang the Grandstand and they both avoided this year's Open jinx to move a match away from a quarterfinal showdown.

Rain wrecked most of the day matches, disrupting the schedule. The switches fit with the tenor of this tournament, which has been plagued by injuries, illness, mugginess, rain and a record number of upsets — including seven seeded men falling in the first two rounds.

When Sampras and Chang finally got on the courts, they skirted all those pitfalls.

Sampras, No. 2, overpowered Arnaud Boetsch, 6-4, 6-3, 6-1, moments after the indefatigable Chang, No. 7, wore down Bernd Karbacher, 4-6, 6-4, 6-3, 6-4.

In the first game against Sampras, Boetsch survived seven break points and managed to hold serve after 10 minutes, but it was obvious then that it was just a matter of time before he yielded.

Sampras didn't have his usual high number of aces — none in the first set and only six in the match — but his serves of up to 126 mph (204 kph) produced plenty of service winners and soft returns.

Chang had lost the three previous matches he had played against Karbacher, a German, so he welcomed Saturday's victory.

Late Friday, what had begun as a contest between two old baselining friends, progressed into the wee hours of Saturday morning, finally ending with Mats Wilander's miraculous 3-hour-59-minute, come-from-behind 7-6 (7-3), 3-6, 1-6, 7-6 (8-6), 6-4 victory over his fellow Swede Mikael Pernfors.

Everyone present knew they were witnessing something special, and when it was over, the thousand or so die-hard fans were on their feet, applauding one of the best Open matches in recent memory.

(AP, NYT, Reuters)

World Record for Mile Is Shattered by Morceli

The Associated Press

RIETI, Italy — Noureddine Morceli of Algeria broke the world mile record by nearly two seconds Sunday, with a time of 3 minutes, 44.39 seconds at the Rieti Invitational track and field meet.

The mark of 3:46.32 had been held since July 27, 1985, by Britain's Steve Cram, who set it in Oslo.

In the last 10 days, Morceli had twice narrowly failed to break the mile record. He came within .47 seconds of doing so in Berlin on Aug. 27; on Friday he was a second outside it.

It has been a brilliant season for Morceli. He won the 1,500-meter gold at the World Championships last month and is unbeaten in the 1,500 and the mile this year. He has come close to world records in nearly every meet he has run, at distances of 1,000, 1,500 and 3,000 meters and the mile.

Rieti has been one of Morceli's favorite places to run. Last year, he set the world 1,500-meter record of 3:28.86 here.

"I hope to come back and break yet another record next year," he said Sunday.

No one was close to Morceli after his two pacemakers dropped out after 1,000 meters. As he headed toward the finish line and then swept past it, the crowd cheered loudly.

The 23-year-old Morceli also holds world indoor records for 1,000 meters (2:15.26) and 1,500 meters (3:34.16).

He was the world indoor and outdoor 1,500-meter champion in 1991 and won the outdoor title again in August, after threatening to boycott the championships in Stuttgart because he was not being paid appearance money.

Finally, he relented, never saying whether he would be paid or whether he would accept the new Mercedes-Benz automobile being given to each winner.

Earlier this year, Morceli made several attempts to break Eamonn Coghlan's 10-year-old world indoor mile record of 3:49.78. While he won every race, he fell short of the record each time.

Morceli's remarkable performances this year followed one of the most disappointing races of his career, a seventh-place finish in the 1,500 at the 1992 Olympics. But a hip flexor injury had sidelined him for 45 days shortly before the Barcelona Games, and the 1,500 final was a slowly paced race in which Morceli got boxed in among the crowded field and was unable to get to the front.

"If I had controlled the pace, I would have won," he said. "But I was injured and I wasn't confident."

Now, Morceli is healthy and he has been unbeatable.

"I don't see anybody in the world who can push me," he said.

Washington Trounces Stanford

The Associated Press

Angered by the sanctions imposed by the Pacific-10 Conference and Bill Walsh's criticism of its program, No. 12 Washington retaliated by routing No. 15 Stanford, 31-14, in the Huskies' first game under the coaching of Jim Lambright as the college football season opened.

Sophomore Damon Huard threw three touchdown passes and ran for another in his first career start Saturday, and Napoleon Kaufman rushed for 195 yards as Washington beat Stanford for the 10th straight time.

Lambright, a longtime assistant at Washington, was promoted to coach on Aug. 22 after Don James resigned to protest a two-year bowl ban and other penalties levied against the program by the Pac-10. Walsh, the Cardinal coach, had referred to the Washington program as "mercenaries" in comments he later said were taken out of context.

With James in the stands at Husky Stadium, the Huskies blew open a close game in the third period when Huard threw two TD passes in a three-minute span.

No. 1 Florida State 45, Duke 7: Charlie Ward completed 22 of 31 passes for 272 yards and two touchdowns, and the visiting Seminoles held Duke without a rushing yard in the opening half. Florida State scored 22 points in the second quarter to hand the Blue Devils their 14th straight Atlantic Coast Conference loss.

No. 2 Alabama 31, Tulane 17: The Crimson Tide extended its winning streak to 24 by piling up 371 yards in the first half and getting two touchdowns from Sherman Williams and Chris Anderson in University, Alabama. Alabama is trying to become the first school to repeat as national champion since the Crimson Tide did it in 1978-79.

No. 3 Michigan 41, Washington State 14: Todd Collins, in his first start, threw for 265 yards and three touchdowns as Michigan rolled up 453 yards in Ann Arbor, Michigan. Tyrone Wheatley ran for 117 yards on 15 carries, and Michigan's veteran defense didn't let the Cougars past midfield until the third quarter.

No. 4 Miami 23, Boston College 7: Frank Costa, making his first start, was 15-for-31 for 205 yards as the visiting Hurricanes won their 28th straight regular-season game. Miami had three interceptions, four sacks and repeatedly pressured quarterback Glenn Foley.

No. 5 Texas A&M 24, LSU 0: Leeland McElroy caught touchdown passes of 26 and 58 yards, and Rodney Thomas ran 80 yards for a score after a scoreless first half in College Station, Texas.

No. 6 Syracuse 35, Ball State 12: In Syracuse, New York, Marvin Graves threw for 224 yards and

COLLEGE FOOTBALL

three touchdowns in less than three quarters as the Orangemen won their seventh straight season opener.

No. 7 Notre Dame 27, Northwestern 12: Kevin McDougal, a senior quarterback making his first start for the Fighting Irish, led four straight scoring drives in the second half in South Bend, Indiana.

No. 8 Florida 44, Arkansas St. 6: Terry Dean, who threw only 45 passes the past three seasons, threw for 237 yards and two touchdowns in his first college start as the Gators extended the nation's second-longest home winning streak to 19 games.

No. 9 Nebraska 76, North Texas 14: In Lincoln, Nebraska, the Cornhuskers scored the first five times they had the ball and never took more than 3:19 on any of their first 10 touchdown drives. Nebraska quarterback Tommie Frazier left after two plays with a sprained ankle, and running back Calvin Jones sprained his knee early in the second half.

No. 10 Tennessee 50, Louisiana Tech 0: In Knoxville, Tennessee, Heath Shuler threw three touchdown passes in Phillip Fulmer's first regular-season game as head coach of the Volunteers. Fulmer served as interim head coach for the first four games last season before taking over the team for good in the Hall of Fame Bowl.

No. 11 Colorado 36, Texas 14: Kordell Stewart threw three first-half touchdown passes in leading the Buffaloes to a 21-7 halftime lead over the visiting Longhorns. The redshirt Texas freshman Shea Morenz threw for 347 yards, but also had four interceptions. Four of Texas' six turnovers occurred in Colorado territory.

No. 13 Arizona 24, UTEP 6: Cary Taylor returned the opening kickoff 83 yards to the UTEP 1, setting up Ontiwaun Carter's 1-yard TD run in Tucson, Arizona. Dan White, a sophomore transfer, added two TD passes for the Wildcats.

South Carolina 23, No. 14 Georgia 21: Brandon Bennett hurdled into the end zone from the 1 with two seconds remaining as sophomore quarterback Steve Taneyhill improved his record to 6-1 as a starter. The visiting Gamecocks, who blew a 17-7 fourth-quarter lead, drove 52 yards in the final 2:52.

No. 16 North Carolina 44, Ohio U. 3: Leon Johnson scored two touchdowns and powered a ground attack that averaged more than 8 yards per carry as North Carolina, playing at home, won its second game. He finished with 147 yards on 12 carries as the Tar Heels rushed for 432 yards on 50 carries.

No. 17 Penn State 38, Minnesota 20: In University Park, Pennsylvania, John Sacca threw four touchdown passes to Bobby Engram as the Nittany Lions made their debut in the Big Ten. Engram's four scores broke the school touchdown receiving record.

No. 18 Ohio State 34, Rice 7: Joey Galloway, who missed most of last year with a knee injury, had three catches for 92 yards including a 48-yard touchdown for the Buckeyes in Columbus, Ohio.

No. 19 BYU 34, New Mexico 31: John Walsh threw four touchdown passes, the last a 52-yarder to Tim Nowatzke with 9:52 left, as BYU frustrated a crowd of 33,659, largest ever to see a game in New Mexico.

No. 21 Oklahoma 35, Texas Christian 3: The visiting Sooners struck for three touchdowns in a six-minute span of the second quarter on two short-distance shots by running back Jerald Moore and a 15-yard pass from Cale Gundy to Corey Warren. Gundy finished 16-for-24 for 246 yards with no interceptions.

No. 22 Clemson 24, UNLV 14: In Clemson, South Carolina, Patrick Sapp was 10-for-14 for 194 yards, including a 13-yard touchdown to Terry Smith that put the Tigers ahead in the third quarter.

Memphis State 45, No. 23 Mississippi State 35: Steve Matthews set a Memphis State record by completing 29 of 45 passes for 340 yards and threw for two touchdowns. The visiting Tigers led 38-14 before the Bulldogs scored three fourth-quarter touchdowns.

No. 24 North Carolina State 20, Purdue 7: Steve Videtich kicked two field goals and Geoff Bender threw a fourth-quarter touchdown pass as the Wolfpack, playing at home, opened its season under its new coach, Mike O'Cain. He replaced Dick Sheridan, who stepped down in late June.

Baylor 42, No. 25 Fresno State 39: J.J. Joe's 65-yard touchdown pass to Marvin Callies with 1:59 remaining rallied the visiting Bears from a 20-point deficit.

Results From the U.S. Open

Men's Singles
Second Round

Karsten Braasch, Germany, def. Renzo Furlan, Italy, 6-4, 0-6, 6-4, 3-6, 6-3; Richard Fromberg, Australia, def. Todd Woodbridge, Australia, 5-7, 2-6, 7-6 (7-2), 6-3, 6-0; Sergio Cortes, Chile, def. Jacco Eltingh, Netherlands, 4-6, 6-4, 7-6 (7-2), 6-4; Wally Masur, Australia, def. Patrik Kuhnen, Germany, 6-4, 6-4, 5-7, 7-6 (9-7); Todd Martin, U.S., def. Ronald Agenor, Haiti, 6-3, 4-1 ret.

Jamie Morgan, Australia, def. Joao Cunha-Silva, Portugal, 6-3, 6-3, 2-6, 7-5; Javier Sanchez, Spain, def. Luiz Mattar, Brazil, 7-5, 6-4, 6-7 (7-4), 4-6, 6-3; Cedric Pioline (15), France, def. Jared Palmer, Tampa, Fla., 6-4, 3-6, 5-7, 7-5, 6-1.

Men's Singles
Third Round

Thomas Enqvist, Sweden, def. Byron Black, Zimbabwe, 6-3, 6-1, 6-1; Thomas Muster (12), Austria, def. Patrick McEnroe, United States, 6-4, 6-4, 6-4; Wayne Ferreira, South Africa, def. Marc Goellner, Germany, 6-4, 6-7 (7-1), 3-6, 6-4, 6-3; Alexander Volkov (14), Russia, def. Amos Mansdorf, Israel, 2-6, 7-5, 6-4, 6-2; Michael Chang (7), U.S., def. Bernd Karbacher, Germany, 4-6, 6-4, 6-3, 6-4.

Pete Sampras (2), U.S., def. Arnaud Boetsch, France, 6-4, 6-3, 6-1; Chuck Adams, U.S., def. Karel Novacek, Czech Republic, 7-5, 7-5, 1-6; Brad Gilbert, U.S., def. Henrik Holm, Sweden, 6-2, 6-3, 6-2.

Andrei Medvedev (8), Ukraine, def. Karsten Braasch, Germany, 6-1, 6-4, 7-6 (7-4); Boris Becker, Germany, def. Sergio Cortes, Chile, 6-4, 6-4, 6-3; Wally Masur, Australia, def. Javier Sanchez, Spain, 6-1, 7-5, 7-6 (7-3).

Women's Singles
Third Round

Katerina Maleeva, Bulgaria, def. Gigi Fernandez, U.S., 6-1, 6-1; Magdalena Maleeva, (10), Bulgaria, def. Kimberly Po, U.S., 7-6, 6-3, 6-4; Natalia Zvereva, Belarus, def. Zina Garrison Jackson (16), U.S., 6-4, 6-3; Maria Jose Gaidano, Argentina, def. Jenny Byrne, Australia, 2-6, 6-3, 6-3; Mary Pierce (13), France, def. Brenda Schultz, Netherlands, 7-5, 7-6 (7-3).

Conchita Martinez (4), Spain, def. Nicole Muns-Jagerman, Holland, 6-3, 6-1; Manuela Maleeva-Fragniere (11), Switzerland, def. Sabine Hack, Germany, 6-4, 6-3; Gabriela Sabatini (5), Argentina, def. Ginger Helgeson, U.S., 6-4, 6-2, 6-4; Arantxa Sanchez Vicario (12), Spain, def. Chanda Rubin, U.S., 6-0, 6-1; Nathalie Tauziat (14), France, def. Christina Singer, Germany, 6-3, 6-2.

Helena Sukova (12), Czech Republic, def. Karina Habsudova, Czech Republic, 3-6, 6-2, 6-4; Martina Navratilova (3), U.S., def. Barbara Rittner, Germany, 6-4, 4-6, 6-2.

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(Continued From Page 4)

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هكذا من الأصل

Jung Chang's Personal History of China

International Herald Tribune

LONDON — In September 1978, Jung Chang arrived at Ealing College of Higher Education in north London with a group of other Chinese students who had been carefully chosen — she was the first person from Sichuan province to be allowed to study in the West since 1949 — and were closely watched. England, she says, seemed a different planet and enormously attractive.

"I was surprised not to see any fog. 'Oliver Twist' was translated into Chinese under the title 'The Orphan in the Capital of Fog.'" Pubs were another surprise since in Chinese translation they suggest something louche: "I remember being disappointed."

MARY BLUME

Although the students were supposed to go out in groups of two or three, she had gone to the pub alone: from childhood she had displayed as much independence as a repressive system allowed. After Ealing she went to York University for a doctorate in linguistics (she would have preferred literature but only linguistics offered a grant). Without consciously deciding to do so, she found herself staying on in England, working first on the television series about China, "At the Heart of the Dragon," and then teaching at the School of Asian and African Studies in London.

In 1984, while working on the television series, she met Jon Halliday, an English Far Eastern expert to whom she is now married. In 1988, on a visit to London, her mother told Jung family stories, leaving her with 60 hours of tape. A trip to China in 1989 for more talk and research and a much-praised best-seller was born.

The book, "Wild Swans," is a dramatic history of 20th-century China told through three generations of Jung Chang's family: her grandmother, born in 1909 and sold as a concubine to a warlord at the age of 15; her mother who joined the Communist underground as a schoolgirl and married a party cadre; and Jung, a Red Guard who became disabused when her parents were so cruelly and lengthily purged under Mao that her father lost his mind. At the book's end Jung, aged 26 is headed for Ealing after having worked as a farmhand, barefoot doctor and a caster in a foundry. A two-page epilogue brings the history of the family, and the country, up-to-date.

First published in the United States in 1991, "Wild Swans" has had a spectacular career, heading the paperback best-seller list in England since it appeared last June and translated from Finland to Japan. It is available in Chinese in Taiwan but so far there are no plans to publish it in China.

"A lot of publishers have spoken to me but I think none of them is absolutely certain. China is in the process of dramatic change at the moment but the area I talk about, the recent history, is obviously the last area that is going to be liberated." She will learn more about possible publication when she goes to China next week to research her next book, a biography of Mao Zedong.

Chang and Halliday, who are collaborating on the Mao book, live in a sunny Notting Hill house. She is both friendly and wary, perhaps the result of an upbringing in which each word could have lethal impact. Her own given name, Er-hong, or Second Wild Swan, was changed on the eve of the Cultural Revolution because in the Sichuan pronunciation it sounded like Faded Red, while Jung means Martial Affairs. Sometimes when promoting "Wild Swans" she brings out her grandmother's embroidered slipper, four inches long and wide as a fishknife — the result of binding the foot since the age of 2 by breaking the arch with a stone and bending the four smaller toes permanently under the sole.

Andre Camara/Reuters

Author Chang: "The area of control is dwindling."

The shoe is shocking but perhaps no more shocking than the binding of minds in later years. Corruption, exploitation and casual cruelty made victims of each generation. The saddest member of the family is the purest. Jung's father whose code name meant prophetically, Selfless to the Point of Being Considered Foolish.

"He was difficult to live with like all incorruptible men," Jung says. Unwilling ever to seem to take advantage of his high position, he denied his wife even common decencies for fear of being nepotistic.

"He devoted himself completely to the party whereas my mother kept herself to herself. Communism was like his religion, was like his first love."

Jung's mother, who was kept in various forms of detention and forced to kneel on broken glass during the Cultural Revolution, has remained in Chengdu along with Jung's older sister who returned to her administrative job in a medical college after trying clothes design when the private sector first opened up. Jung's three younger brothers have gone West. Chengdu, capital of Sichuan, is now bustling with private enterprise, Jung's mother can fax her from the post office and has become the surprised object of visits form foreign tourists who have read "Wild Swans."

What does Jung think of China today, hurtling into a crude market economy, faltering on questions of human rights? Speaking perhaps with the caution of one whose family and career are tightly bound to her homeland, speaking perhaps from experience and conviction, she maintains that genuine liberalization is taking place. "It's happened not just economically but politically as well. There is really quite a lot of individual political freedom at the moment."

From his first appearance in "Wild Swans" giving a mesmerizing lecture some 40 years ago, Deng Xiaoping, China's present leader, is praised to the point where the fewer than a dozen lines about Tiananmen Square in the epilogue are so carefully worded that Deng seems less to blame than the dead Mao.

"That's exactly how I feel. Of course it's not just Mao himself, it's the whole Communist tradition. I also do think that under Deng at this moment the Chinese do have a much better life than at any time this century." There is, she says, a good deal of personal freedom now despite Western newspaper accounts to the contrary.

"Of course the control system is still there but the area of control is dwindling. Unfortunately my interest area, 'Wild Swans' and my next book, belong to that highly controlled area — not *highly*, this area, this dwindling area — that is going to be let go last. But I did hear people complain about the regime, complain about the leaders by name quite freely, not looking over their shoulder, but of course there is tremendous control particularly when compared with the West."

Because of her father's high position, Jung's childhood was privileged, including a boarding school where when she refused to eat she was urged to think of all the starving children in the capitalist world. She was removed from school in 1966 when her parents were in detention. In the mid-'70s she resumed her English language studies, which were limited by the lack of English speakers to practice with. She was sent with other students to converse stiffly with foreign sailors in a southern port. "I had no idea how odd it must have seemed to the sailors — and how far from their expectations of port life," she writes in "Wild Swans."

She had been brought up to accept everything. "In my day it was dangerous to think," she says. "Part of 'Wild Swans' is a description of how someone reasonably intelligent like myself had to struggle very hard to realize, to spell out, things which seemed to be so obvious and how you had to fight for every genuine thought."

In the '80s Jung Chang commented on Chinese affairs on the BBC World Service. These days she avoids such parlous questions as China's attitude to Hong Kong ("If you'll excuse me, I don't want to comment because I'm not on top of the issue") or the possible successor of the invisible Deng.

"I am not interested because I think Chinese politics is no longer in the hands of a few individuals. Today Deng runs China, he has to go where the population wants him to go, by and large. Of course he can still make adjustments, tighten up certain areas and relax in other areas, but no one can change the course of China's development now, no individual. Mao's words could change the way the Chinese live but today no one can change that."

She does not want to be seen as a China expert. "I'm not a pundit and I don't wish to be cast as a pundit in that way. I think that through 'Wild Swans' I've also found myself. I know what I really want to do for the rest of my life, which is to write."

LANGUAGE

Focusing on Psychobabble

By William Safire

WASHINGTON — "By sticking fast to a *focused*, no-nonsense strategy," Fortune writes this month about Laurence A. Tisch, the chairman of CBS. "Tisch, 70, has triumphantly built CBS back to the No. 1-rated television network."

In an Arkansas Times article about the apparent suicide of the deputy White House counsel, John Brummett quoted a stunned former employer as saying of Vincent Foster, "He was the most *focused* person I ever knew, with the possible exception of his friend Hillary."

In current use, *focused* is one of the two vogue words for "purposeful, dedicated, resolute," replacing the last generation's vogue word, *committed*. The other word for those with their eye fixed determinedly on the ball is *centered*.

Self-centered was and is pejorative. "The wretch, concentered all in self" was denounced in "The Lay of the Last Minstrel" by Sir Walter Scott in 1805. But Quakers had long spoken of "peace at the center," describing one at peace with oneself; the past participle *centered* began a century ago with the simple sense of "being on center," which led to a sense of "emotionally stable and secure" in 20th-century psychology.

Fred Mish of Merriam-Webster comments: "I don't think *centered* and *focused* are synonyms. *Focused* means something more like 'intent,' 'concentrated,' and it seems more often to refer to a temporary condition than to a continuing state of mind and soul, as *centered* does." For an early citation, he offers William Faulkner's 1957 description of a character involved in "all sorts of things that would have made a weaker or a less *centered* man blench and falter, but not him."

With this purposeful sense, *centered* was right in the middle of the psychobabble that featured ways to *get in touch with your feelings*, and saw the explosion of the verb *relate to*.

In this argot, *space* shook off its *spaced-out* connotation and became a desired *place*: you needed space, said those who were "into distancing," to explore your own needs or luxuriate in your delicious uniqueness. *Dynamic* changed from a hard-charging adjective (campily reappearing in Batman's "dynamic duo") to become a noun of interaction, playing emotions off against one another to avoid *closure*, the dread end of the affair. *Interface* has been a verb at the heart of this post-space age, denoting the point of interaction among systems, groups and — best of all — *processes*. During this period, even peace became a process.

In this psycholingo, metaphor is strangely absent; the vocabulary is bloodless, and such phrases as *at the heart of* in the previous sentence were eschewed. Anne Soukhanov, who brought the third edition of the American Heritage Dictionary to fruition, has a theory about that: "Psychobabble avoids the metaphors and sense extensions rooted in biology, because biological changes inevitably involve decay and death. Instead, psychobabble chooses words from the physical sciences: *centered, focused, dynamic, space*. By extension, these words depersonalize, creating vague abstractions from things once concrete. They redefine people in terms of mass, energy and process — the physical sciences, not the flesh and blood, growth and death of biology."

This notion of the physical sciences offers food for thought: *center* and *focus* come from mathematics and optics. The *center* is rooted in the spike on a pair of compasses; "an early meaning of *focus*," Soukhanov points out, "was the 'burning point' of a lens. Moreover, in Latin *focus* originally meant a hearth or fireplace, the focal point of a home. And if highly *focused* and *centered* individuals inexplicably *stress out*, can *burnout* be far behind?"

□

In his conscious selection of colorful phrases, Bill Clinton often turns to popular music: "On this last day of the campaign," he said before his election, "we should take it to the limit one more time." That was an evocation of "Take It to the Limit," a song by the Eagles.

Sometimes, also consciously, he will point to his roots by selecting a down-home proverb. After losing a game of hearts, he wrote on a reporter's scorecard, "Even a blind hog can find an acorn." This is *Ozark* lingo, Ozark, the name of a mountain range in Missouri, Arkansas and Oklahoma, is derived from the French *aux Arcs*, "to the (region of the) Arc (Arkansa) Indians," according to Webster's New World etymologists.

More interesting, and less a product of image-manipulation, is President Clinton's unconscious use of Ozarkian speech. In Tulsa recently, in one of the many launches of his health reform campaign, he said, "The only thing I can tell you is that everything I ever *suspicioned* about the way the federal government operates turned out to be true, plus some."

I ran *suspicion* as a verb past Frederic G. Cassidy, professor emeritus and editor of the Dictionary of American Regional English at the University of Wisconsin. "Two hundred years ago, to *suspicion* something or someone appeared in Britain, took root in the American colonies both North and South, and spread westward with them," says Professor Cassidy, 85 and going strong. "*Suspect* was there and could have done everything necessary, but *suspicion* is a good mouth-filling word, a word to say rather than to write. Both words have notable short forms: I *'spect* and I *'spicion* so.

"In American English, to *suspicion* was once used 'even by genteel people,' as Madame Sarah Kemble Knight wrote in 1704. It is still in use throughout the country as a spoken word," Professor Cassidy says, "though it would be out of place in print or in formal speech. It has less prestige than to *suspect* but perhaps stronger emotional resonance. It holds on better in the linguistically more conservative South. That includes Arkansaw." (He likes to use the dialect spelling.)

In "Tom Sawyer," Mark Twain used the noun-turned-verb: "Anybody would *suspicion* us that saw us." I suspicion that President Clinton's use of the term popped out of his native lingo.

The *plus some* at the end of his sentence, in lieu of the more familiar *and then some*, was probably influenced by modern advertising, which popularized *plus* as a big timesaver over *and what's more*.

New York Times Service

INTERNATIONAL CLASSIFIED
Appears on Page 4

WEATHER

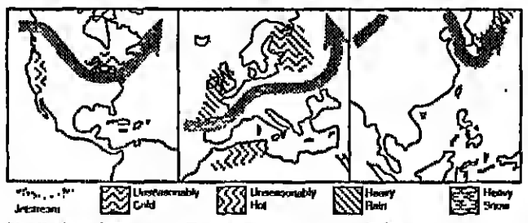
Europe

	Today High C/F	Today Low C/F	W	Tomorrow High C/F	Tomorrow Low C/F	W
Algarve	23/73	17/62	pc	23/73	18/64	pc
Amsterdam	17/62	13/55	s	19/66	15/59	s
Ankara	28/78	10/50	s	25/77	9/48	s
Athens	29/84	16/61	s	30/86	21/70	s
Barcelona	26/79	19/66	s	27/80	21/70	pc
Belgrade	19/66	7/44	pc	27/80	13/55	s
Berlin	16/61	8/46	pc	19/66	8/46	pc
Brussels	19/66	10/50	s	20/68	13/55	sh
Budapest	17/62	7/44	pc	24/75	12/53	s
Copenhagen	15/59	7/44	pc	17/62	6/43	pc
Costa Del Sol	27/80	19/66	s	27/80	21/70	s
Dublin	18/64	10/50	pc	18/64	9/48	sh
Edinburgh	16/61	11/52	s	17/62	12/53	s
Florence	23/73	11/52	s	24/75	17/62	sh
Frankfurt	16/61	8/46	pc	20/68	9/48	pc
Geneva	20/68	12/53	pc	15/59	13/55	t
Helsinki	11/52	7/44	sh	13/55	6/43	pc
Istanbul	24/75	13/55	pc	27/80	16/61	s
Las Palmas	27/80	21/70	c	27/80	22/71	pc
Lisbon	22/71	17/62	pc	22/71	17/62	c
London	19/66	11/52	pc	18/64	12/53	sh
Madrid	29/84	14/57	pc	29/84	14/57	sh
Moscow	12/62	10/50	s	17/62	9/48	c
Munich	18/64	7/44	s	19/66	10/50	sh
Nice	24/75	15/59	s	21/70	18/64	sh
Oslo	14/57	9/48	pc	15/59	7/44	pc
Palma	24/75	21/70	s	26/79	23/73	pc
Paris	21/70	12/55	pc	21/70	13/55	sh
Prague	17/62	8/46	pc	21/70	10/50	pc
Reykjavik	12/53	8/46	c	12/53	8/46	sh
Rome	23/73	11/52	s	26/79	18/64	s
St. Petersburg	14/57	6/43	pc	15/59	8/46	sh
Stockholm	11/52	8/46	sh	13/55	6/43	pc
Strasbourg	19/66	9/48	s	19/66	12/53	t
Tallinn	12/53	7/44	sh	12/53	6/43	pc
Venice	24/75	14/57	s	24/75	18/64	sh
Vienna	16/61	8/46	pc	19/66	12/53	s
Warsaw	15/59	7/44	pc	17/62	6/43	c
Zurich	21/70	10/50	s	20/68	13/55	t

Oceania

Auckland	13/57	9/48	sh	15/59	9/48	pc
Sydney	21/70	12/53	pc	21/70	12/53	pc

Forecast for Tuesday through Thursday, as provided by Accu-Weather.



North America
A chilly air mass from central Canada will move across the Great Lakes this week, it will bring the coolest weather since last spring to many areas around the Great Lakes. Meanwhile a late summer heat wave will build across the United States west of the Rocky Mountains.

Europe
Rain will visit much of western Europe a few times through Thursday. There will be downpours and intervals of gusty winds in Britain, Ireland, much of France and northern Spain. From Barcelona to Rome, any rain should be brief. Scandinavia will be cool and mainly dry.

Asia
Rainy weather is likely in much of Japan this week, maybe even with a tropical storm. Eastern Korea will have times of rain. Sunshine will warm Shanghai, and any rain in Taipei and Hong Kong should pass quickly. Sudden downpours will douse Singapore, Bangkok and Manila.

Middle East

	Today High C/F	Today Low C/F	W	Tomorrow High C/F	Tomorrow Low C/F	W
Beirut	31/88	22/71	s	32/89	24/75	s
Cairo	34/93	23/73	s	33/91	21/70	s
Damascus	31/88	15/59	s	31/88	17/62	s
Jerusalem	28/82	17/62	s	29/84	18/64	s
Luxor	42/107	22/71	s	44/111	22/71	s
Riyadh	42/107	22/71	s	43/109	22/71	s

Latin America

	Today High C/F	Today Low C/F	W	Tomorrow High C/F	Tomorrow Low C/F	W
Buenos Aires	16/61	6/43	sh	13/55	4/39	pc
Caracas	26/79	19/66	sh	26/79	20/68	pc
Lima	18/64	15/59	c	18/64	15/59	c
Mexico City	24/75	13/55	t	24/75	12/53	pc
Rio de Janeiro	26/79	21/70	s	26/79	20/68	s
Santiago	15/59	1/34	s	15/59	4/39	s

Asia

	Today High C/F	Today Low C/F	W	Tomorrow High C/F	Tomorrow Low C/F	W
Bangkok	31/88	26/79	sh	31/88	27/80	t
Beijing	31/88	19/66	pc	28/82	18/64	sh
Hong Kong	32/89	27/80	sh	32/89	26/79	pc
Manila	29/84	23/73	sh	29/84	24/75	sh
New Delhi	31/88	27/80	t	33/91	29/79	t
Seoul	24/75	16/61	pc	24/75	17/62	c
Shanghai	27/80	20/68	pc	27/80	21/70	pc
Singapore	32/89	25/77	sh	32/89	25/77	sh
Taipei	31/88	22/71	pc	31/88	22/71	pc
Tokyo	29/82	21/70	sh	28/82	22/71	t

Africa

Algiers	27/80	22/71	s	30/86	23/73	pc
Cape Town	27/80	12/53	s	21/70	11/52	s
Casablanca	25/77	17/62	s	26/79	19/66	s
Harare	26/79	11/52	pc	26/79	12/53	pc
Lagos	28/82	23/73	sh	29/84	24/75	pc
Nairobi	23/73	11/52	s	24/75	10/50	pc
Tunis	31/88	18/64	s	33/91	23/73	s

North America

Anchorage	14/57	9/48	sh	16/61	8/43	pc
Atlanta	29/84	20/68	t	31/88	21/70	pc
Boston	25/77	17/62	pc	25/77	15/59	pc
Chicago	20/68	11/52	t	24/75	11/52	pc
Denver	19/66	7/44	r	21/73	9/48	pc
Detroit	20/68	13/55	t	23/73	9/48	pc
Honolulu	30/86	23/73	pc	30/86	23/73	pc
Houston	34/93	21/70	s	35/97	21/70	s
Los Angeles	27/80	19/66	s	30/86	19/66	s
Miami	32/89	25/77	t	32/89	26/79	t
Minneapolis	18/64	8/46	pc	20/68	7/44	s
Montreal	21/70	10/50	pc	21/70	8/48	pc
Nassau	32/89	24/75	pc	32/89	25/77	pc
New York	28/82	19/66	s	26/79	19/66	pc
Phoenix	40/104	26/79	s	40/104	27/80	s
San Fran	21/70	13/55	pc	22/71	14/57	pc
Seattle	23/73	14/57	s	25/77	13/55	s
Toronto	21/70	13/55	sh	20/68	12/53	pc
Washington	28/82	20/68	pc	29/84	19/66	pc

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, I-ice, W-Weather. All maps, forecasts and data provided by Accu-Weather, Inc. © 1993

CROSSWORD

ACROSS

1 Snare
5 Cut result
9 Cry of triumph
12 Columnist Barrett
13 Bowling score
14 Warning to motorists
15 Leave unmentioned
16 Annoyance
18 Unit on a space vehicle, for short
19 Pleased
20 Responds
21 In an unrestrained way
23 Unites
24 Uses a settee
25 Aladdin's benefactor
26 Narrow margins
28 Copy
29 Chum
32 Comedian Johnson
33 Verity
34 Idol
35 The ether
36 Bright
37 Tiny pests
38 Proofreader's mark
39 Bill of fare
40 Loads
42 Nursery toys
45 Danger
46 Find distasteful
47 Strong brew
48 Indignant displeasure
50 River hazard
51 A mil. absentee
52 Actress Hope or Jessica
53 Recorded proceedings
54 Opposite of ant.
55 Otherwise
56 Do k.p. work

DOWN

1 Fish from a moving vessel
2 Juliet's love
3 Ill will
4 Sajak or Boone
5 Fine mist
6 Ace, e.g.
7 Onassis nickname
8 Cut down; abridge
9 Wonderland girl
10 Qwis' calls
11 Bristlelike appendages
13 Diva Beverly
14 Old West transport, for short
17 Eagle's nest
19 Obtains
22 Equine progenitor
23 Substantial
25 Hog's sound
26 Owns
27 Noah's boat
28 Essays
29 Peevishness
30 Exist
31 —— Alamos
33 Mechanism for Casey Jones
34 Clue
36 Astronomer Carl ——
37 Allot
38 Fisherman's basket
39 Dull finish
40 Al dente
41 Antisocial burning desire
42 Cowboy's milieu
43 Cheer
44 Star of "Blume in Love"
45 Las' companions
46 They get cooped up
49 —— de mer (seasickness)
50 Drain

Solution to Puzzle of Sept. 3

B	A	B	S		C	A	S	T	E		R	A	I	O
L	U	R	K		A	S	T	E	R		A	L	D	A
A	G	U	E		S	H	E	N	A	N	G	O	E	S
S	E	X	P	O	T		R	O	S	E	B	U	S	H
T	R	O	T	T	E	R		R	U	G	A			
		M	I	T	R	E	S		R	U	G	G	E	D
G	U	A	C	O		H	A	O	E	S		O	L	E
I	N	N	S		T	A	K	E	S		V	O	L	A
V	I	T		L	I	B	E	L		L	E	G	A	L
E	T	A	M	I	N		R	O	M	A	N	O		
		I	N	T	R		N	O	V	E	L	L	A	
M	O	O	N	E	Y	E	O		T	A	R	P	O	N
C	Y	B	E	R	P	H	O	B	E		A	L	I	T
C	O	I	R		E	A	T	I	T		T	E	R	I
C	U	T	S		S	N	O	B	S		E	X	E	C

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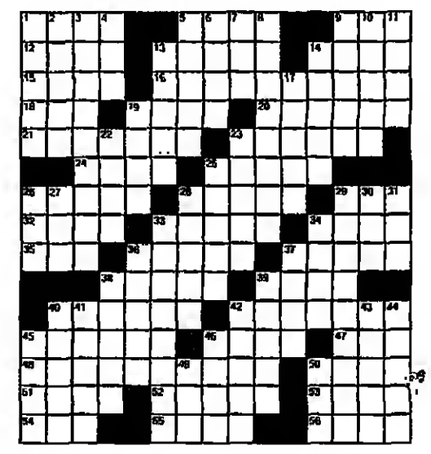
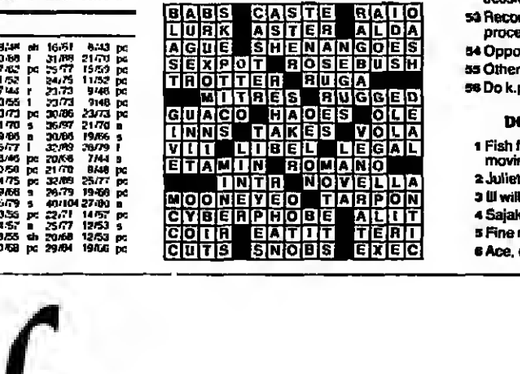


"I wonder if the little guy had fun today?"



Sharing the day's events with loved ones back in the States has never been easier.

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BULGARIA	00-1900-0010
CAPE VERDE ISLANDS	112
CROATIA†*	99-38-0011
*CYPRUS	080-10010
CZECH REP.	00-420-00101
*DENMARK	8001-0010
*EGYPT (CAIRO)	510-0200
*FINLAND	9800-100-10
FRANCE	190-0011
*GABON	00*-001
*GAMBIA	00111
GERMANY**	0130-0010
GHANA	0191
GIBRALTAR†*	8800
*GREECE	00-800-1311
*HUNGARY	00*-800-01111
*ICELAND	999-101
IRELAND	1-800-550-000
ISRAEL	177-100-2727
*ITALY	172-1011
*IVORY COAST	00-111-11
KENYA†	0800-10
KUWAIT	800-288
LEBANON (BEIRUT)	426-801
LIBERIA	797-797
*LIECHTENSTEIN	155-00-11
LITHUANIA*	8*196
LUXEMBOURG	0-800-0111
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*MONACO	190-0011
*NETHERLANDS	060-022-9111
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ROMANIA	01-800-4288
*RUSSIA†(MOSCOW)	155-5042
*SAN MARINO	172-1011
SAUDI ARABIA†	1-800-100
SLOVAKIA	00-420-00101
SPAIN	900-99-00-11
*SWEDEN	020-795-611
*SWITZERLAND	155-00-11
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*U. ARAB EMIRATES	800-121
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Countries in bold permit country-to-country calling in addition to calls to the U.S. Collect calling is available to the U.S. only. *Public phones require coin or card. **Western portion. Includes Berlin and Leipzig. ^Await second dial tone. †Limited availability. ◆Not available from public phones. †Dial "00" first, outside Cairo. †Dial "01" first outside Beirut. ◊Dial (010-480-0111 from major Warsaw hotels. For additional access numbers call collect 412-553-7458, ext. 606. Service to the U.S. is available in over 120 countries. Country-to-country calling is available between more than 65 countries. © 1993 AT&T.

هكذا من الأصل